FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 27,915 Saturday July 14 1979 **20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Pta 60; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

GENERAL

Death threat in Ankara siege

Turkish marksmen last night took up positions behind armoured cars opposite the Egyptian Embassy in Ankara, where four Palestinian guerrillas were holding about 20 hostages under threat of death.

As dusk fell after a day of drama powerful searchlights were set up around the embassy, taken over by the guerrillas in a bloody raid in which two Turkish security guards were reported to have been shot dead.

An extremist Palestinian group, called the Eagles of the Revolution, issued a statement in Beirut saying its men had carried out the attack against "the treacherous Egyptian regime."

Revenue search

The home of Mr Tom Benyon, the new Tory MP for Abingdon, was searched by Inland Revenue officials under warrants taken out because of suspected tax fraud. Back Page

Abortion vote

Mrs. Thatcher, the Prime Minister, was among those who voted for a Private Member's Bill designed to prevent abuses *under the abortion law, which* was given a second reading by 242 votes to 98 in the Commons.

BBC 'misjudged'

The BBC's director-general Ian Trethowan said last night that the corporation had "clearly misjudged" the emotional impact of its controversial interview with the terrorists who claim to have assassinated Tory MP Airey Neave.

Rome killing

The Red Brigades terrorist group intensified its campaign of violence when gunmen assassinated a senior officer in the para-military Carabinieri police in the centre of Rome. Page 2

LV statement

With the Government encouraging companies to move away *from providing perks for their* employees it would be wrong to increase the value of luncheon vouchers, Mr. Peter Rees, Treasury Minister of State, told the Commons.

More executions

Six men were executed in Tehran on charges that included the setting up of brothels and illicit gambling dens. In Abadan gunmen opened fire on a peaceful protest march, wounding three Arabs. Page 2

Britain leads

Great Britain took a 2—0 lead in the Davis Cup match against Spain at Eastbourne when Buster Mottram thrashed top ranked Spaniard Jose Higueras 6—2, 6—3, 6—0 and John Lloyd justified his selection by beating Manuel Orantes 7—5, 6—1, 3—6, 6—2. Page 11

India struggling

At the close of play on the second day of the Cornhill Test at Edgbaston, Birmingham, India had lost two wickets for 59 runs in reply to England's 632 for five declared. Page 11

Briefly . . .

Prince Andrew will say goodbye to his schoolfriends on Monday when he leaves Gordonstoun after a six year stay. He is to join the Royal Navy.

Judge Mervyn Griffiths-Jones, Common Sergeant of the City *of London since* 1964, died in a London hospital, aged 70.

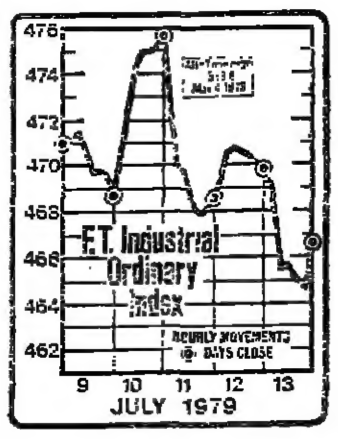
Los Angeles Superior Court jury awarded damages totalling $530,000 against Jaguar Rover Triumph to family of man who died when his Jaguar XJ6 was involved in a collision. Page 2

BUSINESS

Equities off 3.2; Gilts easier

● EQUITIES eased on inflation fears aroused by June's retail price index, the deferment of a mortgage rise failing to inject *buying enthusiasm*. The FT 30-share index closed 3.2 down at 466.6.

● GILTS suffered from a continuing lack of investment interest, the Government Securities index closing 0.56 down at 72.34.



● STERLING rose 15 points to close at $2.2290, the pound's trade-weighted index easing to 71.0 (71.1). The dollar's trade-weighted index rose from 84.5 to 84.6.

● GOLD lost $2¼ an ounce to close at $278¼. The New York Comex July Settlement price was 289.60 (289.30).

● WALL STREET closed 3.33 down at 828.53

● ANGER over the decision to close Shotton steelworks in North Wales with the loss of 6,000 jobs erupted in the Commons, with demands for the resignation of BSC chairman Sir Charles Villiers. Back Page

● DEFENCE Ministry is hopeful that some defence contracts cancelled or frozen after the Iranian revolution may be revived, as a result of talks with the Iranian Government. Back Page: Threat to Pipelines, Page 2

● PAY DISPUTE within the English clearing banks appeared close to settlement following a breakthrough in mediation talks involving clerical and computer staff at Midland Bank. Page 4

● CENTRAL Electricity Generating Board is likely to limit its controversial coal imports to 3m tonnes in the current year—despite low buffer stocks of oil and coal. Page 4

● BP has taken the lead in setting higher prices for North Sea crude oil in the third quarter, fixing the price of its Forties Field production at $23.20 a barrel. *Page 4*

● ONE in four manufacturing jobs in the West Midlands will be lost if the vehicle industry is allowed to run down, according to the region's Economic Planning Council. Page 4

● NATIONAL Association of Retail Furnishers forecasts a 10 per cent rise in furniture prices within "weeks rather than months." Page 4

COMPANIES

● MANNESMANN, the West German steel and engineering group, has made a $245m (£110m) agreed bid for Harnischfeger Corporation, the U.S. cranes and mining equipment manufacturer Back Page

● THORN Electrical Industries reports taxable profits ahead from £110.3m to £118.1m last year. Page 15 and Lex

● SCANDINAVIAN Airlines System reports a consolidated pre-tax loss of SKr 81.8m (£8.64m) before aircraft sales and other assets in the first half-year. Page 21

CHIEF PRICE CHANGES YESTERDAY

RISES

Furness Withy	281	+ 7
Hensher A	48	+ 5
Imp. Continent. Gas	542	+ 7
P and O Dfd.	102½	+ 4½

FALLS

Trnsprt. 3pc '78-88	264	— 1
Excheq. 12¼pc 1999		
A (£40 pd.)	£41⅞	— ⅞
Abercom	97	— 3
BB and EA	80	— 6
Daejan	146	— 5
Dowty	207	— 8
Eurotherm	315	— 12
Fogarty (E.)	258	— 17
Hawthorn Leslie	80	— 4
Hay's Wharf	140	— 18
Hill Samuel Wrnts.	175	— 50
Imperial Group	92	— 3
Irish Distillers	168	— 10
Lee Cooper	187	— 13
Lucas Inds.	252	— 5
Moran (C.)	33	— 3
Prince Wales Hotels	102	— 6
Racal Elect.	440	— 13
Robertson Foods	147	— 6
Saga Holidays	139	— 7
Slough Ests.	115	— 3
Thermal Syndicate	124	— 8
Yorkshire Chems.	56	— 4
Ultramar	300	— 8
Hartebeest	£14⅛	— ⅞
SIMI Hldgs.	174	— 8
Pancontinental	737	— 50

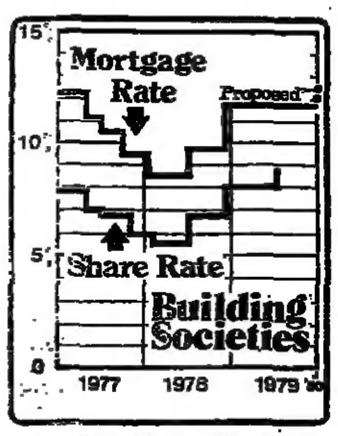
(Prices in pence unless otherwise indicated)

Home loan relief for Ministers—but inflation likely to increase

Building societies delay record 12½% rate until January

BY MICHAEL CASSELL

The building societies yesterday announced a record 12½ per cent mortgage rate, but recommended that *it should not take effect until next* January.



The decision to delay the ¾ per cent rate increase was greeted with undisguised and intense relief by Ministers who, after last week's attempts to get any changes postponed, had resigned themselves to an immediate rise in the cost of home loans.

The ordinary share rate for investors will rise from 8 per cent to 8¾ per cent from August 1. This is not as high as many socieites wanted. It is expected that the improved rate will help to push up the present low level of receipts.

Mr. Michael Heseltine, Secretary for the Environment, said the societies had been "ingenious" in the solution they had adopted.

Mr. Nigel Lawson, Financial Secretary *to the Treasury*, warned that as long as interest rates had to continue at present levels, the danger of a rise in mortgage rates next year remained.

But he added: "The sooner the Government's monetary and fiscal measures start to produce results, the sooner interest rates generally can be reduced, and the greater is the likelihood of avoiding an increase in the mortgage rate. "Home owners and buyers, had been given "a valuable breathing space."

Mr. Lawson's comments underline the Government's hope that recent policy decisions will allow for a reduction in rates generally later this year, although considerable market uncertainty remains over the timing of any fall.

After announcing the new *rate structure*. Mr. Leonard Williams, chairman of the Building Societies Association, emphasised that the societies' decision would be reviewed monthly but that the "positive recommendation" for a higher mortgage rate would take effect in January unless their position *changed fundamentally*.

Mr. Williams, who denied suggestions that pressure had been brought to bear on the societies by the Government, said they had accepted the case for making a contribution to the improvement of the nation's overall economy.

"We are hopeful that interest rates will fall significantly by the end of the year. That is not a prophecy, that is a hope."

"If we do find interest rates are then substantially lower and that we can recommend a lower structure, we will have no problem in overturning today's decision. But if domestic or international circumstances *maintain or even increase* present interest rates, then that situation will also be a factor to be considered."

The societies' highly unusual move, which is bound to lead to speculation that their decision was materially affected by a desire to enjoy a good rela-

Continued on Back Page

What you will pay, Page 4 ● Lex, Back Page

U.S. lifts grounding order on all DC-10 aircraft

BY DAVID BUCHAN IN WASHINGTON

THE U.S. Federal Aviation Administration has lifted its five week grounding order on the 133 DC-10 aircraft registered in the U.S., and said that foreign-owned DC-10s could start flying to the U.S. at once.

Some U.S. airlines began DC-*10 flights yesterday. The two* UK operators, British Caledonian and Laker, start again today.

Mr. Langhorne Bond, the FAA administrator, said yesterday he planned to take one of the first DC10 flights. The aircraft was "quite safe," and tougher and more frequent inspection, and *eventual redesign by McDonnell* Douglas, the aircraft's manufacturer, of the engine pylon would keep it so, he said.

Mr. Bond said the FAA had carried out its biggest inquiry ever into an aircraft's safety after an American Airline DC-10 crashed at Chicago on May 25 with the *loss* of 273 lives.

The FAA grounded all U.S. DC-10s on June 6 after discovering cracks in other aircraft.

In a statement yesterday the U.S. agency said: "The investigation showed that the DC-10 properly maintained and inspected, is a safe aircraft."

It noted that in spite of two tragic crashes, outside Paris a few years ago and at Chicago, DC-10s had made 1.5m landings *and take-offs, and clocked more* than 4m flying hours.

The FAA is ordering tougher inspection checks, varying between every 100 and every 3,000 flight hours, on the aircraft in the U.S., and is calling on McDonnell Douglas to redesign certain pylon elements within *two years*.

Mr. Bond rejected suggestions that he was putting back into the air an aircraft which his agency had found structurally unsound. He said the requested pylon redesign was to make such frequent inspections unnecessary, because it was felt that over the 15-year life the DC-10 still has before it, inspection procedures by airlines were bound to relax.

The FAA would accept the inspection procedures carried out by foreign aviation authorities, even though these were somewhat different from those now required by th FAA.

Resumption of operations by individual airlines would depend on when "return-to-service" checks were completed. By midday yesterday about 100 of the 138 U.S.-registered DC-10s had passed these tests.

U.S. DC-10s will now have to spend more time on the ground being inspected, but Mr. Bond considered that the U.S. airlines could avoid any disruption in service by scheduling these *checks for off-peak hours*.

Estimates about the cost to those eight airlines of the June 6 grounding order vary widely, from $2.5m to more than double that for each day the aircraft remained out of service.

● **Michael Donne writes:** British Caledonian will despatch a DC-10 from Gatwick today to Houston, while Laker will restore DC-10s to its low-fare Skytrain flights to New York and Los Angeles.

Counting the cost Page 3

Mrs Thatcher in Rhodesia talks

BY RICHARD EVANS AND DAVID TONGE

KEY ELEMENTS in any future British plan to return Rhodesia to legality were discussed in talks yesterday between Mrs. Margaret Thatcher and Bishop Abel Muzorewa, the Rhodesian Prime Minister.

The talks were seen as part of continuing consultations which will lead to a British initiative on Rhodesia after the Commonwealth conference in Lusaka next month.

Before the Downing Street discussions legal protection from prosecution was given to the Bishop in an extraordinary move initiated by the Government.

An order approved by a Privy Council meeting at Buckingham Palace attended by three senior Ministers gave protection to anyone invited to Britain to discuss a Rhodesia settlement.

Although the Bishop was not named in the Order in Council, which is subject to Parliamentary approval within 28 sitting days, the purpose was to neutralise a threatened arrest which could have arisen out of proceedings brought at Bow Street yesterday.

The Anti-Apartheid Movement sought one writ for treason against the Bishop and another for murder following the execution of a black Rhodesian last January for involvement in guerrilla recruitment.

Bishop Muzorewa's talks with Mrs. Thatcher followed discussions with Lord Carrington, the Foreign Secretary, and with the Opposition.

The Government did not put any special proposals to the Bishop, though it did make clear the burden of the findings of its envoy, Lord Harlech, on the criticism of the present constitution. Some progress was apparently made in isolating the ingredients necessary for a possible agreement. British

Continued on Back Page

New tap aimed at top taxpayers

By Peter Riddell, Economics Correspondent

A NEW £1bn gilt-edged stock aimed at higher-rate taxpayers is to be issued next week by the Bank of England.

The main reason for issuing *the new stock—3 per cent* Exchequer 1984—is to help the refinancing of three existing low coupon loans which mature between mid-September and mid-November. Several hundred million pounds of these stocks are still in the hands of the market.

Low coupon issues appeal primarily to higher rate taxpayers who are more interested in capital gains on the stock, which are free of tax if held for more than a year, than in immediate income.

The reduction in the higher rates of income tax in the Budget reduces, rather than eliminates, this attraction.

The issue is not a funding exercise in the usual sense though any sales above those required to refinance the existing stocks will help to finance Government borrowing.

The authorities are not issuing any more conventional tap stocks at present both because funding is well in hand and because the money markets are already fairly tight.

The stock is being offered for sale by tender at a minimum price of £77 per cent. The full amount has to be subscribed by 10 am on Thursday.

The gross redemption yield is 8.87 per cent while the flat yield is 3.90 per cent.

The net (after tax) redemption yield for someone paying income tax at 45 per cent (including the investment income surcharge) is 7.30 per cent; at 60 per cent it is 6.77 per cent, while at 75 per cent it is 6.25 per cent.

The hope is that the stock will appeal to holders of the existing low coupon issues and permit *orderly refinancing*.

The previous issue of low coupon stock was £600m of 3 per cent Exchequer 1981 in October 1977.

Lex Back Page

£ in New York

—	July 13	Previous
Spot	$2.2280-2300	$2.2320-2350
1 month	0.65-0.60 dis	0.76-0.72 dis
3 months	1.90-1.85 dis	1.88-1.82 dis
12 months	4.97-4.87 dis	4.85-4.65 dis

Price rises climbing towards 15%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE INFLATION rate has accelerated in the last few months, largely as a result of higher oil and food prices. The impact of the Budget measures *has not yet worked through to* the retail price index.

Department of Employment figures published yesterday show that the index rose by 1.7 per cent to 219.6 (January 1974=100) in the month to mid-June.

This indicates a rise of *11.4 per cent in the past year* compared with one of 10.3 per cent in the year to mid-May. It is the eighth consecutive month in which the 12-month rate has risen.

The Budget measures, chiefly the rise in value-added tax, are officially expected to add about 4 per cent to the index. *Most* of the impact will be reflected in the mid-July figures.

After taking account of other price rises and the small increase last July it is likely that the 12-month rate will jump to above 15 per cent.

The rise in the index in the month to mid-June was the result of increases in the prices of food, particularly milk, meat and bread, and of petrol and cars. These items accounted for roughly half the rise.

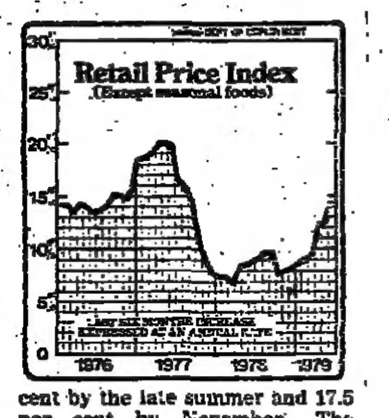
Mortgage interest payments also increased slightly because the cut in the basic rate of income tax in the Budget means that the value of mortgage tax relief has fallen.

Price rises due to show up from now include petrol, paraffin, gas and electricity charges, and London Transport bus and Underground fares. *These should be partly offset by* an expected *fall* in the cost of freshly produced food during the summer.

Seasonal food prices rose by 3.2 per cent last month, representing an increase of 14.2 per cent over the last 12 months and of 36.25 per cent since last October.

The rise in the underlying rate ahead of the Budget is best indicated by the increase in the index for all items except seasonal foods over six months, but expressed at an annual rate. This stood at 14.4 per cent in mid-June, compared with 12.2 per cent in the previous month and 8.9 per cent a year ago.

The Treasury has forecast that the 12-month rate for the all-items index will rise to 16 per



cent by the late summer and 17.5 per cent by November. The Government hopes that when the once-for-all impact of the VAT rise is out of the comparison the 12-month rate will fall to 13.5 per cent by late summer, 1980.

This prospect depends on the future level of sterling and on pay settlements in the coming round, as well as on the extent to which local authorities and public corporations respond to public-spending cuts by raising rates and charges.

Some leading forecasters believe the Treasury projections are too pessimistic in view of the strength of sterling. The pound has risen by 5.25 per cent on average since the Budget and that will help to curb inflation. But this will be offset by the rise in the oil prices and by the impact on food prices of the proposed devaluation of the EEC "green pound."

The likely acceleration in the inflation rate this year accounts for the urgent desire of ministers to produce a standard-of-living index to show the impact of income tax cuts as well as of higher indirect taxes.

This is causing considerable statistical difficulties. At present it seems likely that there will be some form of *prices index adjusted for tax* changes rather than a monthly index of disposable incomes or real earnings. They may be a series of indicators rather than a single index in order to show the impact on various types of households. Such an indicator would appear alongside the retail price index and could be published within the next couple of months.

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OVERSEAS NEWS

Carter consults the people over energy proposals

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

PRESIDENT CARTER has added an extraordinary populist twist to his final preparations for his Sunday night address to the nation on energy and economic policy.

On Thursday night and again yesterday morning, he slipped quietly away from the Presidential retreat at Camp David, unnoticed by the Press, in search of advice from ordinary working class people.

The Thursday session found him in the back garden of a 29-year-old machinist from Carnegie, Pennsylvania, discussing this and that with a handful of neighbours. At the meeting, arranged by his pollster, Mr. Patrick Caddell, reportedly Mr. Carter did not give much away about what he is planning to say on Sunday night. But at least he won a few converts to his view that the energy crisis is real. He also heard a fair bit about disillusionment over where the country is heading.

Yesterday morning, he travelled to Martinsburg, West Virginia, a short distance from Camp David, to meet a retired paraplegic Marine officer and his friends.

That he needs to sell this message to a larger audience was made clear in the latest public opinion poll, compiled by the New York Times and CBS news and issued yesterday. Even after two months of widespread shortages of petrol, only 26 per cent of those canvassed believed the oil shortage was real: 66 per cent still felt the public was simply being told there was a shortage.

Blame, the poll found, was heavily directed at the oil companies and, increasingly, at OPEC. But the effect for Mr. Carter was just as dire: public approval of his performance as President dropped to 26 per cent from the 30 per cent recorded in the previous poll in April with the fall in his popularity spread evenly among almost all demographic groups.

One extrapolation of the poll data was that Mr. Carter was now running no better than even with Governor Jerry Brown from California, a potential challenger for the Democratic Presidential nomination next year. He is also, of course, miles behind Senator Edward Kennedy of

Compounding Mr. Carter's problems, however, is the admission by his Administration that the U.S. will suffer an economic recession this year and is, in fact, probably already in the throes of it.

Reuter adds from Atlanta: Mr. G. Wililam Miller, chairman of the Federal Reserve Board, said yesterday that he did not think it was appropriate to change economic policy at present. He advocated a "steady as you go" approach, and a disciplined monetary policy by the Federal Reserve

Eanes to dissolve Portuguese Parliament

By Our Lisbon Correspondent

PRESIDENT Antonio Ramalho Eanes, of Portugal, met the country's military watchdog body, the Revolutionary Council yesterday and issued a statement recommending the dissolution of Parliament and early elections. The meeting followed attempts by the President to resolve a five-week-old political crisis caused by the resignation of Prime Minister, Carlos Mota Pinto, when he clashed with Parliament over an austerity budget.

Yesterday Sr. Mario Suars, the Socialist leader and former Prime Minister, had a meeting with President Eanes to try to persuade him to let the Socialists, with 101 seats in the 263-seat Assembly, form a Government.

Sr. Scoares was hoping for support from 36 Social Democratic dissident deputies to give him a Parliamentary majority.

Elections this autumn will be a heavy burden for the country, as three sets of elections are due by January 1981.

Uganda investment

President Godfrey Binaisa of Uganda yesterday welcomed foreign investment in the country but said the Government would participate, Michael Holman reports from Entebbe. The President left for the OAU summit in Liberia as truckloads of Tanzanian troops continued to leave Kampala for home.

Turkish loans

The Turkish Central Bank signed two loan agreements totalling $836.3m with a group of international banks in London yesterday, as part of a programme to help solve the country's foreign currency shortages, our correspondent writes.

New Swiss rules

The Swiss Government is to introduce stricter limits for vehicle emissions than those laid down by the Economic Commission for Europe (ECE), John Wicks reports from Zurich.

Nigeria vote

Nigerians vote today in the second round of general elections, with the National Party of Nigeria the winner of round one, Mark Webster reports from Lagos.

Tax break for oil companies

BY DAVID LASCELLES IN NEW YORK

INDEPENDENT OIL producers, who account for about 30 per cent of U.S. oil production, may be granted a partial break from the windfall profits tax being sought by President Carter. The tax is aimed at recouping some of the extra revenues oil companies will glean from oil price decontrol.

Under twin proposals presented in the Senate finance committee this week, exemptions from the tax would be granted either to the first 1,000 barrels of oil a day produced by all oil companies, or on the first 3,000 barrels a day produced by "independents" as opposed to "majors."

The U.S. has about 10,000 independent producers and 30 oil majors. Typically, independents are tiny operations which prospect in the high risk areas and fill out the finds made by the majors. They account for about 90 per cent of the exploratory wells drilled in the U.S. and have played a big part in enlarging the country's oil and gas reserves.

The independents have demanded exemption from the windfall profits tax on the grounds of the high risks of their business, and the resourcefulness of their operations.

$1.18m damages in Jaguar case

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

A LOS ANGELES Superior Court jury awarded damages totalling $1.18m against Jaguar Rover Triumph Inc., the BL subsidiary, to the family of a man who died when his Jaguar XJ6 was involved in a collision five years ago.

It had been alleged that the man died because one of the Jaguar's twin petrol tanks was susceptible to catching fire because of its position. But the jury's majority verdict did not mention the petrol tank.

JRT's lawyer said that the jury's award, much lower than the $12m asked for by the plaintiffs, was motivated by sympathy and that he would request a new trial.

In the UK, JRT said yesterday: "We have complete confidence in the integrity of the fuel tank design and associated systems in the XJ6. The car meets all national requirements including those of the U.S."

Reuter adds: Mr. Alexander Welles, 44, of San Diego, died on May 28, 1974, when his car was involved in a five-car pile-up in Los Angeles. In his summing up, Mr. Johnson maintained that there were no design defects in the car and that Mr. Browne Greene, the plaintiffs' lawyer, was trying to sway the jury by reading from a father's day card and showing slides of the Welles family.

Red Brigades kill police chief

BY RUPERT CORNWELL IN ROME

THE OUTBREAK of violence in Italy intensified yesterday as a Red Brigades commando group ambushed and assassinated a senior officer of the paramilitary Carabinieri police in the centre of Rome.

Col. Antonio Varisco, 52, Commandant of the police detachment at the Rome Central Courts, was attacked as he was driving along the Tiber embankment from his home. Two other vehicles drew alongside his car and gunmen inside fired a volley from automatic rifles.

Within two hours, the Red Brigades claimed responsibility in a telephone call to ANSA, the Italian news agency. Col. Varisco's death comes barely 24 hours after the Mafia-style killing in Milan of the lawyer investigating the collapse of the financial empire of Sig. Michele Sindona.

Col. Varisco is the 24th person and the fifth police officer to die at terrorist hands this year in Italy. His death brings to an abrupt end a period in which a co-ordinated police onslaught seemed to be breaking up the Red Brigades and other terrorist groups.

The colonel's name was on a "hit list" discovered by police in Red Brigade hideouts in Rome recently. The caller to ANSA claimed that the terrorist group had "executed the right-hand man of Gen. Dalla Chiesa" (the officer heading the special anti-terrorist police unit).

The incident has added fresh impetus to the efforts of politicians to find a solution to the Government crisis. Sig. Bettino Craxi, the Socialist leader and Prime Minister designate, is due to report back today to President Pertini on his first round of contacts with other parties.

After a polite, and by no means entirely negative, brush-off from the Communists, Sig. Craxi is now concentrating on forming a four-party coalition of Christian Democrats, Socialists, Social Democrats and Republicans. There are a few signs of cautious optimism now to be discerned.

The main obstacle remains the Christian Democrats, in a state of turmoil over the possibility of losing the Prime Ministership after 34 years. Signs were that the party would not veto Sig. Craxi's bid at this stage, but wait for detailed proposals on a new Government programme next week.

Interest rate moves worry U.S.

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT, IN BRUSSELS

RECENT MOVES in Europe towards more restrictive monetary policies were greeted with undisguised concern yesterday by a senior official of the Carter Administration, who expressed fears that they could lead to new exchange rate instability and dampen economic growth.

Mr. Richard Cooper, U.S. Under-Secretary of State for International Economic Affairs, said he was particularly worried that the rises in key German interest rates announced by the Bundesbank this week could trigger off a fresh flow of money from the dollar into the Deutsche Mark.

He warned after talks here with officials of the EEC Commission that Europe and the U.S. must take care not to embark on a race to raise interest rates when their economies were facing difficult problems as a result of OPEC oil price increases.

Authorities on both sides of the Atlantic must continue to co-ordinate their economic and monetary policies closely, he said, though that did not mean that they must always pursue identical policies.

Mr. Cooper was apparently able to satisfy the Commission that the U.S. Senate would give its assent before the summer recess to President Carter's Trade Bill, which contains the agreements on trade liberalisation measures negotiated in the GATT world trade talks.

The Commission is understood to fear that the deepening recession in the U.S. will give rise to fresh protectionist pressures, and that, unless the GATT package can be tied up quickly, it may have to be postponed indefinitely.

Mr. Cooper gave no precise indications of the likely contents of President Carter's planned energy message due on Sunday, though he said that its full impact would mature only over a number of years, suggesting that it might have no immediate effect on U.S. energy consumption.

Gloomy outlook for French jobs

BY TERRY DODSWORTH IN PARIS

THE FRENCH employment market has been given only a marginal stimulation by the normal seasonal demand expected in summer, according to the latest monthly figures from INSEE, the national statistical office.

This indication of yet a further deterioration in the French employment situation emerged yesterday at the same time as a study underlining the failure of French industry to create new jobs in the last few years.

The figures provide a sombre confirmation of the warnings given by the Government at the beginning of the year that unemployment was likely to worsen. On the basis of the uncorrected statistics, unemployment declined slightly from 1,258,900 in May to 1,233,000 in June. But corrected for seasonal variations, this amounts to a 1.2 per cent increase on the previous month, to 1,392,900 unemployed. Over a 12 months period it represents an 18.4 per cent increase in unemployment.

A further deterioration is expected in the next few months, as school leavers come on to the register. The Government has already taken steps to absorb some of the effects of this increase by special job-creation measures in industry, but it will still make some impact.

Longer-term unemployment problems are underlined in a second INSEE report which shows that France is adding a net 250,000 people to its working population every year.

These newcomers to the labour market will be difficult to absorb. During the past five years, the country has produced a net increase of only 340,000 new jobs at an annual average growth rate of 0.4 per cent against 1,835,000 in the previous five years, at a rate of 2.3 per cent.

Clash over W. German fuel prices

By Roger Boyes in Bonn

DEUTSCHE BP has decided to raise the price of petrol and heating oil again—and has immediately provoked sharp criticism from leading West German trade unionists and consumer rights activists.

Both Herr Eugen Loderer, chairman of the powerful IG Metall union and Herr Thomas Schlier, of the German Consumers' Association, have accused the oil companies, including Deutsche BP, of profiting unduly from the oil crisis, of eroding consumer's incomes and of "creating social discontent."

The Deutsche BP move will increase the price of petrol by 5 pfennigs a litle and the price of domestic heating oil by 2 pfennigs from next week—thus pushing both "super" and "normal" grade petrol to more than DM 1 per litre (£1.14 a gallon). The other oil companies are expected to follow suit.

Deutsche BP has stressed that the price rise was made inevitable by the OPEC increase in Geneva earlier this month.

Belgrade price up

THE Yugoslav Government yesterday announced a 35 per cent rise in petrol prices, bringing the cost of four-star to YD 13.50 a litre, or about £1.40 a gallon, AP reports from Belgrade. Diesel fuel and heating oil prices are to go up, with an 84 per cent rise for paraffin.

Pauline Jackson in Tehran reports on discontent among Iranian Arabs.

A threat to the pipelines

THE Government of Iran appears to be making no effort to come to grips with the Arab problem in the South which is now threatening the nation's vital oil industry.

The execution of three prostitutes made head line news in Iranian newspapers on Thursday. But there was no word on how the regime is proposing to prevent further sabotage in the oil industry either by improving security or by negotiating with the Arab dissidents.

Meanwhile, the situation in the southern oil province has deteriorated. Saboteurs have blown up a railway bridge and attacked the Navy headquarters, the Governor's office and the port and customs offices in Khorramshahr, as well as radar installations at nearby Shadegan, a small village nearby.

The brother of Sheikh Shobeir Khaqani, the Arab spiritual leader, reported in a telephone conversation on Thursday afternoon "Khorramshahr has been in a state of confusion and chaos since last night. Explosions and machine gun fire could be heard throughout the night and even this morning."

It is feared that a continuation of the unrest will lead to more attacks on Iran's oil pipelines. During the last week eight of Iran's oil and gas lines have been put out of action by explosions, now definitely believed to be the work of Arab saboteurs.

A guerrilla group called the "Black Wednesday" claimed responsibility for the first explosion on the Agha Jari crude oil line last Sautrday. The massive conflagration that followed the explosion spread to two gas lines, two oil product lines and two other crude lines—putting all out of action. It is believed that the same group was behind the explosion that ruptured the Ahwaz-Amadan crude line just after midnight on Tuesday.

Officials of the National Iranian Oil Company say that the explosions have not affected Iran's oil exports, which for the last month have averaged 3.3m barrels a day, only slightly lower than the Government target of 3.4m b/d.

After the first explosion officials at the Abadan refinery reported that throughput at the refinery had dropped from 550,000 to 100,000 b/d. As a result, there might be some domestic fuel shortages. They have not given any information about the effect of the second explosion and the rupture of the Ahwaz-Abadan line which was also carrying crude for the Abadan refinery.

Oil men have cast doubts upon these statements. They say that production had not been 550,000 b/d for some time and was nearer to 430,000 b/d in recent weeks.

Whatever the damage, it would anyway be weeks before the disruptions in oil flow along the pipelines affect Iran's exports. NIOC has apparently not made any spot sales on the Rotterdam oil market in recent weeks and as a result has large stocks of crude and also bunker fuel.

Even if the actual losses caused by last week's explosions are negligible, as NIOC suggests, the incidents pinpoint the complete vulnerability of the country's thousands of miles of oil and gas pipelines.

The larger 42-inch and 56-inch lines which carry crude from the main oilfields to the export terminal at Kharg Island are buried in the ground but their location is clearly defined with markers. It would only require a little digging and some dynamite to blow them up.

The smaller feed lines to the refineries and domestic distribution lines are plainly exposed. Dozens of them run through the city of Ahwaz and alongside main roads in Khuzestan. Experts say they can be penetrated by a single shot from a rifle.

There is no regular policing of the lines, not even surveys by helicopter.

The only secure protection for the oil industry lies in a solution of the problem of Arab discontent that has led to the sabotage. The Arab fight in the South, like the Kurdish one in the West, is essentially a campaign for equal rights.

Both the Arabs and the Kurds charge that, as ethnic-minority groups, they are treated as second-class citizens.

The Arabs proposed a joint Persian-Arab popular militia to replace the conventional security forces which had collapsed during the revolution.

But, Rear Admiral Ahmad Madani, the Governor-General of Khuzestan—who is also head of the navy—continued with the disarmament of the Arabs, while allowing the Persian revolutionary guards to keep their arms.

The Arabs reacted angrily and violently. There were numerous clashes between Arabs and revolutionary guards during the second half of May. Using techniques reminiscent of those of the Pahlavi regime, Rear Admiral Madani moved in troops to crush the Arab resistance movement.

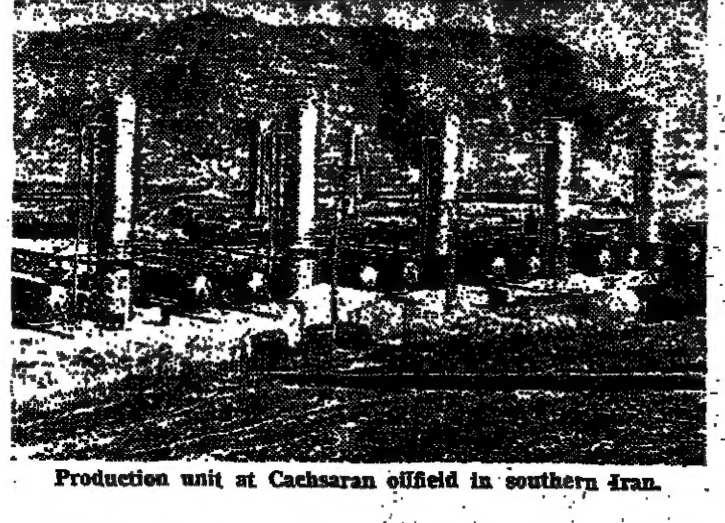
On May 30, now known by the Arabs as "Black Wednesday," an estimated 80 Arabs were killed

On June 6 Rear-Admiral Madani and Khaqani signed an eight point peace pact. Major features of the agreement were the appointment of Arabs to local government posts, the freeing of Arabs arrested during the troubles, an investigation into the cause of the fighting, the punishment of those responsible, financial support for members of families who lost breadwinners during the fighting, freedom for the Arab cultural organisation to continue its activities and the provision of better facilities in Arab villages.

In the following weeks Arabs claim that the Government has not only failed to honour its promises under the peace pact but has continued to arrest and persecute members of their community.

While no Government teams appear to have been sent to Khorramshahr to investigate the recent violence, several members of the Kurdish Democratic Party have arrived in the city with the aim, they say, of forming some kind of alliance with the Arabs.

This is certainly an ominous sign: an Arab-Kurdish alliance, coupled with continued sabotage in the oil industry, would present the most serious challenge yet to the fragile unity of post revolutionary Iran.



Production unit at Cachsaran oilfield in southern Iran.

Gunmen shoot protesters

ABADAN: Gunmen opened fire from rooftops on a peaceful protest march in this Iranian Gulf oil city yesterday, wounding three Arab demonstrators.

The gunmen were understood to be Islamic revolutionary guards. There was firing in the air as a crowd of 3,000 Arabs demanding self-rule for Khuzestan province approached a central square. Three demonstrators fell wounded, one with a bullet in the leg, another hit in the arm and the third hit with a glancing blow to the head. None was seriously wounded and all refused to be taken to hospital for fear of arrest by Islamic guards. Reuter

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second class postage paid at New York N.Y. and at additional mailing centres.

UK NEWS

Lloyd's in discipline move on £10.6m loss

BY JOHN MOORE

LLOYD'S HAS invoked rarely used legislative powers to discipline parties involved in the events leading up to £10.6m of the losses sustained by the underwriting syndicate formerly managed by Mr. Frederick Sasse.

The move follows a year-long investigation into the affairs of a subsidiary of one of Lloyd's larger insurance brokers, Brentnall Beard.

The subsidiary, Brentnall Beard International, placed Canadian fire insurance business with the Sasse syndicate which led to £2.6m losses, and U.S. fire insurances which led to a loss of £8m.

Lloyd's said yesterday that following its report into the trading relationship of Brentnall Beard International with the Sasse syndicate "the committee of Lloyd's has initiated proceedings under the relevant provisions of Lloyd's Acts of 1871 and 1911 and Lloyd's bye-laws."

Under the Lloyd's Acts any member of Lloyd's who has been guilty of any act or default which is discreditable can be suspended or expelled from Lloyds.

But the machinery is complex, and the parties involved could go to arbitration before any decision was arrived at. Moreover, the matter might require a general meeting of the 17,278 members of Lloyd's.

New executive

Brentnall Beard, which is quoted on the Stock Exchange, postponed its half-yearly results announcement until after the Lloyd's statement.

These will be given on Monday, and a new chief executive named.

The company broke standard market procedures in the Sasse affair when it failed to gain Lloyd's approval of a major producer in the U.S. of fire insurance business for the Sasse syndicate, which led to £8m of the losses.

Brentnall Beard said last night that it was "taking appropriate steps to protect the interests of its shareholders and employees."

Six people figure in Lloyd's disciplinary moves. Three are Brentnall Beard directors, Mr. John Newman, Mr. Derek Gravestock and Mr. Stanley Elsbury, the group chairman.

Three others are involved in the disciplinary procedures outside the Brentnall Beard group. They include Mr. Frederick Sasse, who headed the Sasse syndicate.

On the stock market Brentnall Beard's shares fell 2p, to 16p.

Delay to new Bill may prolong Price Commission's life

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE GOVERNMENT may be forced to appoint a "shadow" Price Commission at the end of this month because of the delay in its legislation to scrap the Commission becoming law.

The Government's Competition Bill, which was published on Thursday, is intended to abolish the Commission by repealing both the 1973 Counter-Inflation Act and the 1977 Price Commission Act.

But it is now thought unlikely that the Bill will become law before the autumn at the earliest, as Parliament goes into recess at the end of this month.

The dilemma facing the Government is that the contracts of all but two of the existing 16-strong Commission expire at the end of this month, two years after the present Commission was set up by Parliament.

Since there is a statutory duty for a Commission to exist until repealed by Parliament, a new Commission will almost certainly have to be formed. It would, however, have no duties other than fulfilling the statutory obligations.

The Government paved the way for setting up a "shadow" Commission earlier this week by laying an Order before Parliament which reduced the Commission's quorum from five to three members.

Because of its previous strong criticisms of the Commission, it seems unlikely that the Government would re-appoint either Mr. Charles Williams, the present chairman, or any of the other Commission members whose contracts expire on July 31. But it could keep on the two Commission members—Mr. Leslie Pincott and Mr. Roger Opie—whose contracts do not expire for some months. It would then have to find one other person to join the Commission and fill the quorum for a few months.

The present salary of the chairman is £23,760, while ordinary Commission members receive £4,752.

Meanwhile, one of the final reports to come out of the Commission, is due to be published on domestic gas tariffs later this week. The report suggests that prices should be allowed to rise.

Savers hit by strike to share £2m award

By Eamonn Fingleton

SAVERS who suffered as a result of a computer strike at the National Savings Department earlier this year are to get more than £2m in compensation, Mr. Nigel Lawson, Financial Secretary to the Treasury, announced yesterday.

Compensation will be paid to 700,000 savers whose interest or capital repayments were delayed. Most of those affected will get tax-free interest equal to an annual rate of 17 per cent on the amount due. The rate for delayed Premium Bond pizes will be 8 per cent tax-free.

Interest will cover the period between when payments should have been and when they eventually were made. The longest delays were about two months. They were due to industrial action by civil servants between February 23 and May 3.

Where savers in any case automatically received extra interest while awaiting payment this will be deducted from the compensation.

The arrangements are expected to be implemented over the next few months in most cases.

Compensation will be automatic except where an investor is due less than 50p.

In that case, a special claim will be required.

Most investors with ordinary accounts at the National Savings Bank will receive no compensation because payment-on-demand services continued throughout the strike. But if they can show that they were inconvenienced they are asked to make a special claim.

Fall in industrial output indicated

BY DAVID FREUD

MANUFACTURING output appears to be running below the level of last summer, in spite of the recovery from the bad weather and industrial disruption of the winter.

But a sharp increase in output from the energy sector means that the underlying level of total industrial output is probably much the same as the buoyant summer months.

The figures, released yesterday by the Central Statistical Office, indicate that manufacturers have not increased output in line with the higher consumer spending of recent months.

The all-industries index of production rose 0.6 per cent in May to 113.9 (1975=100, seasonally adjusted). However, the April figure was revised sharply downwards from an all-time high of 115 to 113.2.

The manufacturing index fell 0.7 per cent to 104.6 from an April figure that was also revised substantially downward.

This means that in the latest two months manufacturing output was slightly below the average level of the third quarter of 1978, even though there is likely to have been some bunching in these months after the winter.

The official figures are particularly unreliable now because of the effects of the Civil Servants' dispute. The adjustments to previous months have been much bigger than usual.

The most buoyant area of production was North Sea oil and gas, which was 12.5 per cent higher in May than in April.

INDUSTRIAL PRODUCTION
(1975=100, seasonally adjusted)

		All Industries	Manufctg.
1977	1st	105.6	103.9
	2nd	105.5	102.4
	3rd	106.3	103.0
	4th	105.9	101.8
1978	1st	106.9	102.2
	2nd	110.7	104.5
	3rd	111.5	105.1
	4th	109.9	102.6
1979	1st	109.1	101.4
	Jan.	103.6	93.4
	Feb.	111.4	104.2
	March	112.3	106.5
	April	113.2	105.3
	May	113.9	104.6

Source: Central Statistical Office

Ladbroke licensing case 'sets standard'

BY JAMES BARTHOLOMEW

THE CASINO division of the Ladbroke Group had done things to which the justices could not possibly give their seal of approval, counsel for the Playboy Club told South Westminster licensing magistrates in London yesterday.

Mr. John Marriage, QC, was summing up the Playboy Club's objection to the renewal of licences for three of Ladbroke's London casinos. The police are also objecting.

Mr. Marriage said Ladbroke had admitted many breaches of the Gaming Act. Mr. Cyril Stein, the chairman, had said he knew nothing of these activities at the time, but "it was his business and that of his top management to know what was going on."

The case was bound to be referred to in future casino licensing hearings. Advocates would refer to the misdemeanours of casinos being more or less serious than those of Ladbroke.

"You will be setting a standard for many, many years," Mr. Marriage said. "The decision you make will have a very long-lasting effect all over this country."

Ladbroke has admitted breaking the 48-hour rule by which gambling at casinos is allowed only by people who have been members for that length of time or by their bona-fide guests. On Wednesday Mr. Stein promised the court that this had stopped and would never happen again. Mr. Marriage yesterday asked the court to consider what had actually happened rather than promises for the future.

Mr. Stein, he said, had freely admitted the payment of commission to agents introducing losing gamblers. He had said the practice was still going on and was not against the law; but it was against the spirit, if not the letter of the law, Mr. Marriage said. Such commissions were bound to stimulate demand for gambling.

Under earlier cross-examination Mr. Stein had said that commission payments were "common practice" in the business.

Mr. Marriage said his instructions were that his client, Playboy, did not do it. Mr. Stein disagreed, saying: "I could quote, and I don't really want to a case in point."

The case will continue on Monday.

Royal lifts premiums by 11%

By Colleen Toomey

ROYAL INSURANCE is raising premiums for the 500,000 motorists it covers. The average 11 per cent increase, effective from October 1, is the second increase anounced this year and comes a day after the increase in premiums by General Accident, the UK's largest motor insurer.

Royal group last increased premiums by an average of 10 per cent in April. It recorded a pre-tax profit of £153m last year compared with £138.8m in 1977. But profits fell sharply in the first quarter of this year, from £28.6m to £12.8m, and Royal's underwriting loss was £19.9m for the same period, compared with only £1.1m in the corresponding period in 1977.

The group said yesterday that the increases were "necessary to avoid underwriting losses in the future."

Royal Insurance is still losing money on its underwriting account. Costs for repairs are rising steeply, particularly after the budget increase in value-added tax. In making the increase, however, Royal has taken account of the fact that higher petrol prices have in the past reduced claims incidents in the short term.

Motorists aged between 17 and 18 face increases of 14 per cent on current premium levels; but not all drivers will feel the effect of Royal's new premium. In South Wales some drivers will face an increase of only about 1 per cent. The 11 per cent increase will work out at almost £7.70 on an annual comprehensive policy.

Agreement reached over education cuts

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE GOVERNMENT yesterday gained the agreement of the Council for Local Education Authorities that the education service must take its share of the economies in public spending.

CLEA's conference in Nottingham resolved that the economies in education and other public services were necessary, in spite of opposition from Labour supporters among the delegates from the 104 education authorities in England and Wales.

But the conference also expressed concern about the likely effect of the cuts, and called for immediate discussions with Mr. Mark Carlisle, Secretary for Education and Science, to seek ways of minimising damage to the quality of education.

Later, Mr. Carlisle told the delegates that the curbs on public-service recruitment did not extend to depriving schools of replacements for any essential staff who had left.

He offered no clue, however, as to which parts of the education service, such as school meals, milk and transport, the Government would expect to bear the brunt of the economies next year.

Drastic measures were unfortunately necessary so as to regenerate the economy, Mr. Carlisle said. But the Government hoped that the result would be additional wealth enabling public services, including education, to be put back on a sound financial footing.

Computer men win £500 prize

THE £500 FIRST prize in the National Management Plate competition was won in London last night by two experts in computer software from ICI Runcorn. They are Dr. Jonathan Smithers, a mathematician, and Mr. John Liles, a chemical engineer.

The Plate is for teams knocked out in the first round of the game staged annually by the Financial Times, ICL and the Institute of Chartered Accountants in England and Wales, in association with the CBI and the Institute of Directors. Second place, and £250, went to a team from Serck Audco. RHP Bearings won the third prize of £100.

Garnock Valley plan to create 800 jobs

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A PLAN to create 800 jobs in the Garnock Valley, Ayrshire, was announced yesterday by the Scottish Development Agency and British Steel (Industry).

The area has been severely hit recently by factory closures and the ending of open-hearth steelmaking at BSC's Glengarnock works, which resulted in 650 redundancies.

Over the next five years, £5m is to be spent on improving the environment, building 64,000 sq ft of new factory space, and helping new and existing companies to expand and provide employment.

Sir William Gray, chairman of the agency, said that the area had been identified for special help, so some advance factories had been let and construction work started on others. The aim was to create half of the 800 jobs needed in the next two years.

Corby move for more business

AN OFFICIAL is to be appointed by Corby District Council, Northants, who will encourage industrialists to move to the area.

Nearly 3,000 of the estimated 17,000 working population are out of work, and 6,000 more jobs are threatened if plans go ahead to close the town's BSC plant.

Air traffic troubles add to holiday headaches

BY ARTHUR SANDLES

EUROPE'S perennial crop of tourist troubles is coming into full flood again as the summer season gets under way.

Air traffic troubles and overcrowded airways are causing delays, and in Greece there are reports of serious problems through hotel over-booking.

Even without air traffic control disputes summer delays to holiday traffic are inevitable. Northern European airports, with their year-round business traffic and large conurbations, are equipped with the latest technological aids and are capable of clearing far more aircraft than the small summer centres like Palma, Corfu or Malaga are capable of receiving.

The result is enormous traffic build-ups which, at a series of meetings last winter, were recognised as unavoidable unless some countries, notably the Germans, were willing to break their Saturday-to-Saturday holiday habits and fly mid-week.

In Greece a rash of over-booking has produced protests from tour operators. Mr. Ken Franklin, chairman of the British Tour Operators Council, said yesterday that the position in Crete and Corfu was "out of hand."

There have been angry meetings with the Greek National Tourist Office, which admits there have been problems but says that this is due to the explosive growth in Greek tourism this year.

Fuel plan wins pilot £5,000

A CONCORDE co-pilot, Mr. William Lowe, has won British Airways' biggest award under its staff suggestions scheme, £5,000, for devising a method of saving up to 1m kilogrammes of fuel a year.

He has devised a technique of flying Concorde accurately round the arrival circuit at Heathrow, using the aircraft's own navigation system, as opposed to flying it under the air controllers' ground radar.

No redundancy aid for private shipbuilders

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

THE GOVERNMENT has decided not to extend the shipbuilding redundancy payments scheme to private sector shipbuilders, Mr. Adam Butler, Industry Minister, announced yesterday.

Shipbuilding trade unions had pressed for an extension, but the Government and the private sector of the industry have taken the view that legislation to cover the private sector is now too late.

Private shipyards have suffered heavy losses of manpower this year and severance payments have been negotiated outside the scope of the redundancy payments scheme.

Under the scheme, workers made redundant by British Shipbuilders are entitled to lump sum payments of up to £10,400.

The Shiprepairers and Shipbuilders Independent Association said last night that it was still concerned that British Shipbuilders should be made to show the costs of redundancies in its accounts as was the case in the private sector.

Lady Plowden to stay

MR. WILLIAM WHITELAW, Home Secretary has given himself more time to find a new chairman for the Independent Broadcasting Authority with the re-appointment of Lady Plowden, aged 69, until the end of next year.

The move, which comes little more than two weeks before Lady Plowden was due to leave, means there will be a change of chairman during the new round of contract applications and hearings for the ITV system.

Five other members of the authority due to leave at the end of this month have also had their terms extended, to various points in 1981. One member goes completely. Dr. Tom Carbery, to be replaced as member for Scotland by the Rev. William J. Morris. Dr. Carbery was the longest standing member of the IBA.

Health Service contracts

SHORT-TERM contracts for 46 Area Health Authority chairmen were announced yesterday by Mr. Patrick Jenkin, Social Services Secretary.

The move is in preparation for the Government's response to the report from the Royal Commission on the Health Service, due to be published *next* week.

Mr. Jenkin has reappointed 27 authority chairmen and appointed 19 new chairmen for two years instead of the usual four. This means all 90 area health authority chairmen will retire on July 31, 1981, providing the Government with the maximum flexibility in determining the future of the Health Service structure in the light of the Royal Commission's report.

Jobs boost

NORTHAMPTON Development Corporation is to build the fifth employment area in the town in nine years to cope with the demand for factories and warehouses. Work on the 42-acre site should start later this year.

GLC makes mid-term assessment

THE Conservative-controlled Greater London Council yesterday published a mid-term assessment of the administration's work.

The 35-page document, which goes before the council's policy and resources committee next week, deals with five main objectives set by Mr. Horace Cutler, council leader, when he took office two years ago.

These five areas include progress made towards regeneration of the inner city, transport policy, financial stability, public safety and the role of the council as London's strategic authority.

Among the successes claimed in the report are that the local authority is now free of debt on all its services except housing, the housing sales programme and initial progress in re-generating London's docklands.

On the failures side the council admits it has been unable to provide London with a more reliable and efficient bus service.

Copies of the report are available from the GLC.

State industries lose £1.9bn

THE ACCUMULATED losses of nationalised industries total £1.9bn Mr. John Biffen, Chief Secretary to the Treasury, disclosed in a Commons written reply yesterday.

This excludes 1978 to 1979 results for some industries which have not yet been announced, he said.

DC-10s CAN FLY IN U.S. AGAIN

Counting the cost of grounding the air fleets

BY MICHAEL DONNE

NOW THAT the U.S.-registered DC-10 jet airliners are to be allowed to fly again, and foreign-registered DC-10s allowed once more into the U.S., the world's airlines are likely this weekend to breathe a sigh of relief—before getting down to counting the cost of one of the most serious setbacks ever in civil aviation.

In the wake of the crash of an American Airlines DC-10 at Chicago on May 25, killing all 273 passengers and crew, the world's fleet of 277 DC-10s in 41 airlines has been the subject not only of the most extensive checks ever conducted of any jet airliner, but also of a barrage of hostile criticism, and speculation over their safety, airworthiness and quality of design.

Of the 277 aircraft, 139 in the fleets of eight airlines in the U.S. have been grounded for 37 days, since June 6.

The 138 DC-10s outside the U.S., in 33 airlines, have been grounded for various but shorter periods. For as a result of energetic action in devising new maintenance and inspection procedures those airlines, spearheaded by the European operators, progressively returned their aircraft to passenger service from June 19, although until now they have been prevented from entering the U.S.

The big issues, now that the U.S. Federal Aviation Administration is reassured of its airworthiness, are those of compensation for the airlines for their heavy losses in recent weeks, and of rebuilding airline and public confidence in the DC-10.

It is difficult to assess the precise extent of airline losses through being deprived of their DC-10s in the early weeks of this summer.

A rough estimate puts those revenue losses at $20m a day worldwide. Some part of this has been offset by the airlines flying alternative, but smaller, aircraft on some routes, such as Boeing 707s, so that some revenue has been earned.

Some direct DC-10 operating costs have been saved, such as fuel and oil. But there have been heavy additional maintenance costs on the grounded airliners stemming from the constant checks, three in all, in the U.S. and in Europe required by the FAA and other airworthiness authorities. There have been heavy chartering bills for alternative aircraft where these have not already been in the affected airlines' fleets.

By the time the details have been worked out, it seems likely that the revenue losses may be some $700m for the period since June 6 to today.

It must be stressed that these are revenue losses — that is, money lost through fares not flowing in. The effects on airline profits are likely to be much more difficult to calculate. They still seem likely to be substantial.

In the UK, Mr. Adam Thomson, chairman of British Caledonian, which has three DC-10s, says he expects a dip of some £2m in profits for this financial year as a direct result of the DC-10 affair.

Sir Freddie Laker, chairman of Laker Airways, who has six DC-10s, estimated his revenue loss in the worst period of full grounding through early to mid-June at £350,000 a day, and his overall revenue loss at some $15m, or £7m.

Japan Air Lines estimates it has lost Y2.1bn through cancellation of 688 DC-10 flights.

But most airlines seem confident that given no further trouble with the aircraft, and a continuation of the current boom summer traffic through into the autumn, they can recoup a substantial part of those revenue losses.

They will try to fill their aeroplanes on every flight to maximise revenue, and may even try to squeeze more flights out of each aircraft every day.

Some airline chiefs (again, such as Sir Freddie Laker) seem confident that they will have recovered a good part of their lost revenues by the end of the financial year.

Sir Freddie is particularly hopeful that his new permission from the Civil Aviation Authority to run a fully scheduled Skytrain service across the North Atlantic, including advanced booking and a new range of cheap promotional fares, will help him swing back quickly into top gear on Skytrain in time to catch the full summer peak traffic at the end of July and in early August.

The biggest immediate question is how to rebuild public confidence in the aircraft. In the technical sense—in that it is by now the most thoroughly tested and inspected wide-bodied jet in the world, with substantially tightened maintenance procedures—the DC10 must be regarded as safe to fly. Certainly the airlines think so, supported by their respective airworthiness authorities.

But it must also be accepted that no matter how much human and technical effort is put into civil aviation, the risk of accidents with any aircraft has never been entirely eradicated.

At the same time, there is no doubt that everyone in the world airline industry has been given a severe fright, and it is to be hoped will be more alert for trouble. The DC-10 has been involved in two terrible accidents. It is arguable whether public and airline opinion will allow it to survive a third, and from now on everything must be done to ensure as far as possible that such a circumstance can never arise.

Since the DC-10s began flying again outside the U.S. some two weeks ago, the airlines have reported very good loads with very few passengers declining to fly in the aircraft.

The whole business has been extremely costly, and there is no doubt that the airlines will look for some kind of scapegoat from whom they can seek damages for any revenue losses they cannot recoup. Who precisely will be that scapegoat remains to be seen.

It could be the U.S. Federal Aviation Administation, which ordered the original grounding of the DC-10 after the Chicago accident. It could be the aircraft manufacturer, McDonnell Douglas, or it could be American Airlines, whose original maintenance practices are alleged in the U.S. to have been at least a contributory factor to the accident at Chicago, although this has yet to be proved by the official accident investigation.

The other question is the long-term damage that may have been done to McDonnell Douglas's own sales of the DC-10, and of the bigger derivatives it was planning to develop to compete with the Boeing 747 in world markets through the rest of this century.

In the past few weeks some airlines which had been on the verge of signing orders for more DC-10s are believed to have delayed decisions. One has openly said so. That is Alitalia, which wants six more jets.

But other airline chiefs, such as Mr. Roman Cruz, president of Philippine Airlines and this year's president of the International Air Transport Association, have made clear that they will go ahead with plans for more DC-10s, expressing full confidence in the aircraft.

Most of the existing 41 DC-10 operators can normally be expected to order more. DC-10s through the 1980s, as passenger traffic expands notwithstanding oil shortages and steep fares increases. For, once committed to a particular type of aircraft, an airline tends to stay with it, for economic reasons.

Nevertheless McDonnell Douglas is aware that there is likely to be some need to rebuild confidence after what has been an unprecedented situation in the whole jet era of the past thirty years. The company is believed to be considering a major advertising campaign and a big marketing effort.

There is still all the labyrinthine legal work involved in determining compensation for the relatives of the 273 killed in the Chicago accident.

On the basis of the settlements in the original Turkish Airlines DC-10 disaster near Paris in 1974, the Chicago accident could produce settlements of several hundred million dollars wit the legal arguments rumbling on for years.

UK NEWS

BP leads with new N. Sea crude prices

BY KEVIN DONE, ENERGY CORRESPONDENT

BRITISH PETROLEUM, the biggest single North Sea oil producer, has taken the lead in setting higher prices for North sea crudes in the third quarter.

It has fixed the price of its Forties Field production at $23.20 a barrel (a barrel contains 35 gallons), the fourth increase this year.

The new price is near to the upper limit of $23.50 a barrel established by the Organisation of Petroleum Exporting Countries at its last meeting in Geneva.

North Sea prices traditionally follow closely the price levels set by the main African members of OPEC — Libya, Algeria and Nigeria — which produce a similar high quality, light, low sulphur crude oil. They are all charging close to the maximum allowed by OPEC.

The price for crude oil from the Ekofisk Field in the Norwegian sector of the North Sea, the other major field in production has not yet been finally established, but it is expected to reach $23.50 a barrel.

The new prices were effective from July 1.

The major prices which remain to be settled are for crude produced from a number of smaller North Sea fields, where the oil is loaded directly into tankers at the fields rather than being brought ashore by pipeline.

Normally, these prices would be 10-20 cents above North African levels, because the oil *is sold on a delivered basis* avoiding tanker charter fees.

North Sea producers are wary, however, of setting any prices above the maximum level of $23.50 established by OPEC, for fear of providing a pretext for some of the more hawkish OPEC members to trigger off another round of price increases.

The price of Forties crude has risen nearly 66 per cent since the beginning of the year, and the latest increase has added another $2.50 a barrel on top of the June price. Forties is producing about 500,000 *barrels* a day, accounting for nearly one-third of UK output. More than 60 per cent of BP's production is exported.

Italian petrol concessions

THE PRICE of super grade petrol in Italy is £1.27 a gallon (L500 per litre), but UK tourists may buy concessionary coupons in this country to obtain petrol at £1.07 a gallon.

Due to a misunderstanding over the working of the concessionary system, last Saturday's Financial Times quoted an independent survey which gave a price of 89p per gallon for petrol in Italy.

The concessionary rate for tourists has been fixed by the Italian Government at £1.07 for more than two years, and is therefore not affected by the sharp alterations in exchange rate values between the lire and the pound.

NEWS ANALYSIS—COFFEE PRICES

A frosty disagreement

BY JOHN EDWARDS, COMMODITIES EDITOR

NESTLE, announcing this week a 10 per cent rise in its coffee prices from August 1, was careful to point out that the increase was not due to the recent frost in Brazil, the world's biggest coffee producer. It said it reflected the rise in coffee bean prices in the world market during the first five months of the year. That was before the early Brazilian frost further raised the cost of beans.

The implication is that there could well be a further rise in coffee prices later this year if the world market remains at *its present level.*

On the other hand General Foods, producer of the other leading brand, Maxwell House, attributed its similar increase in price mainly to the June frost in Brazil, which drove up the cost of beans.

Both companies are somewhat vague about how long it takes for the increased cost of beans to raise the price of coffee in the shops. It does vary according to how far forward the roasters have bought beans and the size of their stocks when there is a change in world market values.

One roaster may decide to buy heavily in the expectation of higher prices, while another may have bought sparingly in the hope that market prices will *fall. It is a matter of judgment* which can cost roasters dear if they guess wrongly, since for competitive reasons they cannot put their selling price above that of their *rivals.*

Both companies agree that the cost of coffee beans is by far the most important element in deciding the price of the final product. It is estimated that the beans used by roasters account for over 70 per cent of the total price. But the recent increases also take account of the higher cost of energy required for roasting as well as distribution and packaging.

The companies say that they have already absorbed the cost of metrification, which came into force on July 1. But the rise in the cost of beans finally forced them to raise prices. When metrification came in the companies were careful to cut prices, by 11.8 per cent, to match exactly the reduction in weight to 100 gram jars so that housewives would not accuse them of cashing in.

Futures

Coffee bean prices have risen substantially this year. On the London futures market they started the year at about £1,300 a tonne after having fallen steadily from the peak of more then £4,000 reached early in 1977. They rose to nearly £1,600 in mid-May and shot up to more than £2,000 early in June, when an exceptionally early frost in Brazil caused limited damage to the forthcoming crop.

Values have subsequently come down to below £1,900 as a result of profit-taking sales. But the market remains extremely nervous since July in Brazil is normally the most dangerous frost period, the *middle of the winter.*

Almost exactly four years ago, in July, 1975, frost crippled the main coffee-growing area in Brazil in the state of Parana. *During* the following two years the resultant shortage of supplies caused the market price to rise from £400 to £4,000 a tonne.

A bad frost this year could have an equally dramatic impact, since the surplus stocks held by Brazil are far lower than they were in 1975. A worrying feature this year was that the early *frost* in June *affected* the state of Minas Gerais, where new coffee planting was shifted in an effort to avoid the frosts that have traditionally affected Parana. Yesterday there were new warnings of possible frost. But the market has become somewhat inured to these scares and prices moved lower rather than higher.

If there is no more frost damage one might expect prices to move lower again since there will then be more than adequate supplies available in the world. But this does not necessarily follow. Coffee-producing countries have kept prices higher than they would have been by buying up surplus supplies, much to the fury of the U.S. Government. They have threatened to continue to do so unless consumers promise to help in stabilising market prices at a "reasonable" level.

Bearing in mind general inflation it seems unlikely that coffee prices will come down again even if the cost of beans falls in the winter. Roasters were forced to cut prices after the huge drop in consumption during the time of soaring prices and shortages in 1976 and 1977. But demand has picked up remarkably and Nestlés are forecasting that sales this year will beat all previous records, even allowing for the rise in prices.

The latest rise of 8p for a 100 gram jar of instant coffee will lift the price of a cup by 0.10p to 1.65p. This compares with the all-time peak of 2p a cup reached in 1977. A cup of tea is only half the price.

CEGB may limit coal imports to 3m tonnes

BY JOHN LLOYD

THE CENTRAL Electricity Generating Board is likely to limit its controversial coal imports to 3m tonnes this year — although its buffer stocks of oil and coal are low, and it is vulnerable to prolonged industrial action *by mineworkers and* transport workers.

The CEGB and, latterly, the National Coal Board, have expressed concern that the target of 75m tonnes which the NCB has agreed to supply to power stations this year may be beyond its capacity.

In the current issue of "Coal News," the NCB newspaper, the area marketing manager of the high-output South Midlands area says that a shortfall in output could reduce the NCB's ability to meet the target. Output from the areas' mines, many of which have suffered from severe geological faulting in past months, is down 200,000 tonnes on last year, while stocks are low.

The situation elsewhere in the UK, where NCB stocks are relatively higher, *is exacerbated* by difficulties in moving coal to power stations, where stocks are depressed. British Rail has made strenuous efforts to improve its coal handling, but with apparently sporadic success.

However, the CEGB appears willing to accept that any shortfall in output will be made good by drawing from stocks, with imports rising less than 2m tonnes over last year's levels.

This acceptance is partly due to a desire not to sour relations with the Government, which have been much improved recently. The Government's *speeding-up* of the nuclear programme, and its acceptance of the need for increased coal imports, has attracted the approval of the CEGB.

The question of whether the coal imports will be purchased under long-term contracts or on the spot markets, however, remains in dispute between the *CEGB on the one hand, and the* Government and the NCB on the other.

The CEGB would prefer long-term contracts, arguing that they would be cheaper and more certain. The NCB is against such contracts because it fears they might depress domestic demand in future years, and that they will create tensions in the National Union of Mineworkers.

The matter was discussed at the meeting of the Coal Tripartite Committee on Thursday, when Sir Derek Ezra, the NCB chairman, pressed his view that any imports should be purchased on the spot market, and that long-term contracts were unlikely to be significantly cheaper, *if* at all, as world coal prices begin to rise in line with the oil price increases. It is thought that the Government largely agrees with Sir Derek's views.

How your mortgage will be affected

THIS TABLE provides an indication of the impact on mortgage repayments if the new interest rate structure recommended yesterday by the Building Societies Association takes effect in the New Year. The mortgage rate has changed ten times since the start of 1975, while the minimum lending rate has changed 56 times over the same period.

EFFECTS OF PROPOSED MORTGAGE INTEREST RATE CHANGE FROM 11¾% TO 12½%

Years	Present monthly payment (per £1,000) £	New monthly payment (per £1,000) £	... or Increased Term Years	Months
20	10.99	11.51	25	—
25	10.45	11.00	48	9
30	10.16	10.74	Infinity	

Examples:

MONTHLY REPAYMENTS (BEFORE TAX RELIEF) ON 25-YEAR LOAN

	11¾% £	12½% £
£6,000 (average existing loan)	62.70	66.00
£12,000 (typical new loan)	125.40	132.00
£18,000	188.10	198.00

Indian Ocean sanctuary may save 1,500 whales

FINANCIAL TIMES REPORTER

THE International Whaling Commission yesterday voted to ban whaling in the Indian *Ocean. The vote of 16 to three* will probably save about 1,500 whales. The three votes against came from Japan, the Soviet Union and South Korea.

The decision to make the Indian Ocean a sanctuary followed the original U.S. proposal for a worldwide ban on commercial whaling.

But the IWC at its London meeting changed this to a partial moratorium on high seas whaling by factory-ships, except for the minke species. This allows Japan and others to continue its minke hunting.

Dr. Lee Talbot, director of conservation for the World Wildlife Fund International, said that the Indian Ocean sanctuary was a major accomplishment.

"At present," he said, "there is no major ocean where whales are not hunted. We now have a reference point, a clear way of studying the effects of non-whaling."

Dr. Talbot said of the 31st annual meeting of the IWC: "It has been a turning point. There has been a recognition by the whaling commissioners that the *scientific base is totally inadequate* to assure safe quotas.

GLC picks Dockland road route in spite of protests

BY COLIN AMERY

THE FINAL route for the Dockland Northern Relief Road has been decided by the Greater London Council, against the wishes of the majority of local residents.

After delaying the £39m road for more than a year to allow public consultation, the GLC has opted for a route supported by only 19 per cent of local residents.

More than 56 per cent polled in the planning participation exercise preferred an alternative route.

The planners' *route* will, according to a local pressure group, destroy 285 more homes than other routes and cause more damage to historic buildings.

The road will be four lanes wide and run for two miles from Canning Town flyover to Commercial Road at Limehouse basin.

To reduce noise levels in the residential area close to Limehouse the road will be built underground with landscaped play areas on top. Construction will start in 1983.

Agreement has already been given in principle for the five-and-a-half mile Southern Relief Road that will run from Bermondsey to Woolwich.

Londis group cuts off too-independent grocers

MOVES TO strengthen the position of small independent grocers who are losing ground to the major supermarket multiples are planned by the voluntary Londis group of more than 1,400 small grocers.

Londis, which has a turnover of £130m a year, is terminating the membership of grocers who do not fully support the group's wholesaling facilities but buy wholesale from Londis only when special cut-price trade offers are mounted.

Londis says that since it is entirely retailer owned, unlike other voluntary groups of grocers who are dominated by large wholesalers, it offers grocery trade prices lower than other wholesalers.

LABOUR

Midland deal brings bank's pay dispute near settlement

BY NICK GARNETT, LABOUR STAFF

THE PAY dispute in the English clearing banks appeared close to settlement yesterday after a breakthrough in mediation talks for clerical and computer staff at the Midland Bank.

New proposals, which the bank's two unions said would add about 19-20 per cent to the salary bill when already agreed fringe benefit improvements were taken into *account,* were accepted by the bank and the unions. The deal would run for nine months.

Acceptance by negotiators from the Banking, Insurance and Finance Union and the Association of Scientific, Technical and Managerial Staffs is subject to a membership ballot.

Mr. Hedley Woods, banking union assistant secretary, said industrial action would be imposed at the other four clearing banks unlesss they matched any Midland deal. The other banks, which have been making common pay offers, are almost certain to follow the lead taken in *the Midland.*

The banking union will ballot only its computer staff members who imposed 24 and 32-hour strikes earlier this week *but ASTMS intends balloting* its total bank membership. Meanwhile, industrial action which shut down *Midland's* five main computer centres is being suspended.

The proposals made by *Professor* John Wilson, of the Law Faculty, Southampton University involve an increase of 15 per cent new money on all individual salaries. The last *Midland offer* was 12.5 per cent, weighted towards higher grades.

The full 5 per cent productivity payment would not now be consolidated. Instead 2½ per cent would be consolidated, the other 2½ per cent being paid as a continuing bonus. This payment, which would be worked out as a percentage of the new salary scales is likely to be made in December.

The effect of applying the bonus to new rather than old salary scales is worth a further 0.4 per cent. Salaries would be increased uniformly by 17½ per cent.

An offer from all the clearing banks on fringe benefits has been virtually agreed by the industry's staff bodies. This includes two extra days holiday from August and a special *London supplement* of £50 to £200.

Public service pay team holds last meeting

By Alan Pike, Labour Correspondent

MEMBERS OF Professor Hugh Clegg's Comparability Commission held their last formal meeting yesterday before preparing their report on public services pay. This will reach the Prime Minister by the end of the month.

Local authority and health service union leaders spent about three hours with Professor Clegg and his colleagues discussing aspects of evidence which they have presented. But they received no indication of what the report—which will cover local authority, health service and university manual workers and ambulancemen—will contain.

A statement issued after the meeting said that it was part of a series of discussions with *both management and unions.*

This process of consultation was "quite distinct from the formulation of recommendations" which was a matter for the Commission.

The Commission's comparability study was part of the terms which settled last winter's disputes by public services manual workers. Under the settlement 50 per cent of any comparability award is due for payment from next month and the remainder from April, 1980.

At the Transport and General Workers Union conference earlier this week Mr. Mick Martin, public services national secretary, warned that further industrial action was possible if the Government did not honour the award.

Caterers on North Sea rigs threaten strike

FINANCIAL TIMES REPORTER

THE THREAT of disruption to North Sea oilfield activity loomed yesterday, after the rejection of an employers' offer covering nearly 700 offshore catering workers.

The two unions involved which have organised catering workers in the British sector, the Transport and General Workers and the National Union of Seamen, have said that unless a settlement is reached by the end of the month industrial action will begin on up to 40 installations.

Yesterday Mr. Harry Bygate, a National Union of Seamen *official in Aberdeen, said:* "We have cut our original claim by 50 per cent, but the employers still have not met it and the men are very bitter."

The unions had originally submitted a much-publicised claim of £14,000 a year for an offshore steward, but halfed it at the first negotiating session last month.

The present claim of £600 for a full trip, two weeks offshore and two weeks onshore, was met by an employers' counter-offer of £415. Shop stewards met in Aberdeen on Wednesday.

Mr. Bygate said: "The men offshore endorsed the rejection and the meeting decided they were prepared to meet the employers up to July 27. If by then there is no agreed settlement, we would initiate industrial action."

The men are employed by the four largest catering concerns operating on the North Sea installations. Any withdrawal of their labour would immedi*ately affect offshore activity,* particularly construction work.

Navy denies health risk

The Defence Ministry yesterday denied that the Navy was jeopardising health and safety by loading the Polaris nuclear submarine HMS Resolution after a strike by Civil Service supervisors.

Members of the Institution of *Professional Civil Servants,* at the Coulport base on the Clyde cut power to the submarine after 12 Royal Navy staff started loading. The union said this was increasing the normal risk to an unacceptable level.

The Ministry said that using the navy to prepare the submarine did not increase the risk.

Underground strike action postponed

BY GARETH GRIFFITHS, LABOUR STAFF

THE NATIONAL Union of Railwaymen yesterday postponed strike action by its 15,000 members on the Underground, after *London Transport* agreed to implement a 14 per cent arbitration award.

The union executive approved a peace formula agreeing to immediate talks on the operation of one-man trains on the Circle, Hammersmith and City lines. London Transport and the union have set a deadline of July 31 on the talks and any outstanding issues will be referred to a wages board.

The two sides will discuss a pay settlement for 3,500 work*shop staff on July 20.* The NUR wants the same type of deal as the 14 per cent arbitration award.

Earlier, London Transport *had said that the award would* cause acute financial problems. It had decided to pay it after union assurances of maximum co-operation in one-man operations and productivity generally.

The peace formula is intended to remove obstacles to one-man services on the two lines when *suitable equipment and trains* become available. The NUR, however, emphasises that the strike call has merely been suspended pending the successful outcome of the talks.

The train drivers' union ASLEF, and the white-collar Transport Salaried Staffs Association were also involved in the peace talks and agreement.

Times talks to continue next week

By Our Labour Correspondent

PRINT UNION general secretaries will meet Times Newspapers management next week to continue talks on a formula which could lead to republication of the company's titles after more than seven months.

The union leaders met yesterday and decided to seek a meeting with the company which is likely to take place early next week.

● The Economist failed to appear on time yesterday because of a dispute over manning issues with the National Graphical Association at its Brentford, London, printing works. A return to work took place late yesterday afternoon after talks and efforts were being made to produce this week's issue.

Postal regrading talks begin

By Nick Garnett, Labour Staff

PAY AND productivity talks, which will centre on regrading proposals, were begun yesterday for the majority of the Union of Post Office Workers telecommunications members.

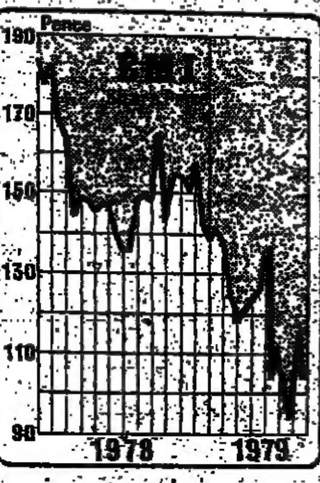
The talks, which will be reconvened next week, will focus on how the union's telephonists, telegraphists and coast radio officers will be assimilated into a new grading *structure which the Post Office* has been negotiating with its telecommunications unions.

THE WEEK IN THE MARKETS

Credit pressures squeeze shares

Unlike the Building Societies, the stock market does not possess a facility for deferring bad news. The last week has been a miserable one, with equities slipping to the lower end of their recent depressed trading range and gilt-edged giving up the bulk of the previous week's gains.

The argument raging ten days ago between those who thought the Bank of England would bring Minimum Lending Rate down very soon and those who believed the Bank would wait for evidence that the credit squeeze was choking off loan demand has been won by the pessimists. The June banking figures on Tuesday came as a reminder of how strong credit demand has recently been, wholesale and retail price figures confirmed the existence of strong inflationary pressures and European interest rates have been rising.



The prospect of tight credit continuing for some time has not been pleasant for either section of the market, and the booming of distant cannon has begun to signal a new wage round. Yesterday equities were drifting lower and there was hardly a cheap buyer in sight.

A semitone flatter

The news emerging from EMI over the last six months has been so bad that some sort of drastic action has begun to seem inevitable. The group's medical electronics side—the body scanner, that maddening combination of scientific excellence and commercial loss—has been a persistent drain on the group's resources, and now the music business, EMI's backbone, is losing money. This is partly the result of a worldwide recession in the record business, but EMI's reluctance to pay the prices demanded by the most successful recording stars has certainly contributed to its difficulties.

Although the music business is not in such fundamental difficulties as the scanner, EMI is in no position to support two major problem areas at once. Its borrowings have been increasing as fast as its profits have fallen: net debt rose by about £100m in the 2½ years to December, 1978, and since then EMI has taken on the Liberty label in the U.S. which itself is heavily in debt. Despite some asset disposals, the cash drain must have been considerable in the first half of 1979.

So something had to go — something substantial. The planned deal that EMI's new chief executive, Lord Delfont, has put together is perhaps the best thing that could have been done in the circumstances, though it is by no means certain that it will be enough. Half of the music business is to be sold to Paramount Pictures, and the division would be operated as a joint venture. Paramount is contributing a small music publishing business of its own and a cash sum that will probably turn out around £62m.

The money would be used to reduce EMI's gearing—an absolute priority—and to support the other businesses of the group, which means giving the scanner a last chance to prove itself. If it cannot break even soon it will have to go: EMI simply cannot afford it.

The attraction of selling a stake in the music side rather than making another disposal—selling the hotels, say, or the defence electronics division—is that EMI retains an exposure to the music industry. Any other asset sale would have meant losing a whole division. Paramount will bring to the joint venture the music from its films and television programmes; all very well in its way, but not quite the straight U.S. popular music repertoire that EMI needs so badly. The deal gives Paramount the chance of exploiting its own music—its lack of a record company has lost it a lot of money recently, as it has had the mortification of seeing the musical profits from "Grease" and "Saturday Night Fever" go elsewhere.

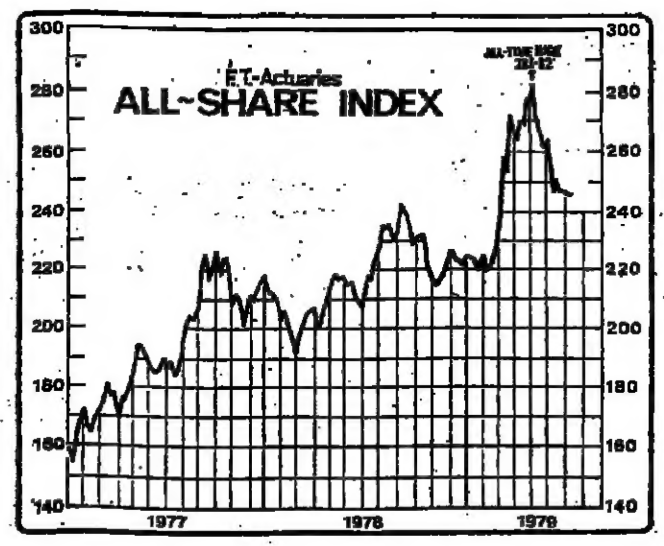
LONDON

ONLOOKER

The stock market's initial reaction to the deal was one of grateful relief that EMI looked at last to be getting to grips with its problems, and the shares rose by 10 per cent to 117p or so. But later in the week attention was concentrated on the scale of EMI's underlying difficulties—brought home so forcibly by the planned sale of half the group's principal division—and the price slipped back to around 100p.

Cartier's jewel

As EMI was selling major assets to bolster a wobbly balance-sheet, Tesco was showing how it is possible to spend heavily without undue strain on its cash resources.



The deal in which Cartier Superfoods was acquired for £19.4m during the week leaves the vendor's founder, Mr. Lew Cartier, a very rich man with plenty of time to take a long overdue holiday to consider his next ventures. Setting up from a mobile butcher's van ten years ago with a loan of £500 and just £50 of his own capital, Mr. Cartier can now bank £10m of Tesco's cash.

A restraint of trade agreement limits his re-entry into the food retailing market for the next three years but if, as Tesco was saying during the week, only the very largest supermarket groups are going to survive as independents over the next decade, that may not be such a penalty as one might suppose.

Tesco, like Asda and Sainsbury (the two other groups which Mr. Cartier thinks will survive independently over the next 10 years) is going flat out to boost its portfolio of large selling outlets. A fortnight ago, it unveiled plans to spend £200m on new development over the next three years and including the cost of Cartier. Tesco is now planning to spend almost £100m in the current financial year.

Cartier sold out at a price which effectively valued each store at about £1m but the purchaser has calculated that it might have cost as much as £1.5m per unit to develop the same portfolio from scratch. But like its big competitors, Tesco need not fight shy of chasing its own ambitions.

With the help of stock relief Tesco paid a nominal tax bill of £1.1m last year on pre-tax profits of £37.64m. Inventories grew from £121.1m to £136.6m but a near £44m rise in creditors' balances to £152.63m indicates that it was the wholesale trade, rather than Tesco, that had been financing a large part of the supermarket group's stock expansion. So, Tesco actually generated £72.4m from trading last year but the extent to which creditors can be pushed is obviously finite and the three-year expansion programme must be "front-end loaded."

Even with this recent hefty financing advantage, Tesco feels that it may run into a net debt position this year and a rights issue is feared in some quarters. Certainly the authorised capital has already been raised from £17.5m to £20m to leave 65.2m shares available for fresh issues. But, as the strong grow stronger, food retailing watchers are waiting for the next round of the High Street price war to erupt.

Meat and drink

The cigarette price war appears to have subsided with some benefit to Imperial Group's market share. Having slipped to around 53 per cent at one stage, the John Player and W D and H O Wills manufacturer has now recovered to a 56 per cent penetration of the home market and, after the successful launch of Lambert and Butler, the group can probably claim a 45 per cent stake in the important king-size field.

Total pre-tax profits expanded by £12.8m to a somewhat disappointing £68m at the interim stage where tobacco contributed £7.7m of the overall advance. The Courage brewing operation still looks pedestrian after an advance of no more than 5 per cent although bad weather probably provides a good part of the excuse.

Yet however dull Imps' non-tobacco investments may still look (and the food division returned only £12.8m before interest and tax on sales of £519m) the shares are apparently well supported by a double figure yield if, as seems likely, the total dividend for the year is hoisted from 6.32p to 7p per share net.

NEW YORK

JOHN WYLES

VERY LARGELY, this week has been Carter's market and the movement of share prices has held something of a mirror to Americans' attitudes to their President. Adlai Stevenson's observation that "in America any boy may become President and I suppose it's one of the risks he takes," is too subtle in its appreciation of the difficulties of the office to be shared by the world at large.

Rather the assumption is that if a man wants to become President badly enough to endure the lunacies of running for office, then once he is in the White House he should demonstrate qualities of leadership and decision in attacking clear and evident problems. Wall Street has always doubted whether Mr. Carter could "cut it" as President but its inhabitants are no less awed by the Presidency than their fellow citizens and no less siezed of the desire to extend as much good will as can be mustered to the recipient of what has become one of the most bone-sapping experiences any human must endure.

At the same time, however, Wall Street has become increasingly convinced that the Administration is essentially weak and disposed to fail in its attempts to mend an economy riddled with inflation and to chart an energy policy which will take OPEC's hands off the U.S. throat. In other words Wall Street might say of Mr. Carter that "he was totally used to failure and did not easily resign himself to a change of regime," as Jorge Luis Borges said of Herbert Quain.

There is thus a tension between the consuming desire for successful leadership and scepticism about this particular President's ability to deliver it. Now Mr. Carter's long and semi-reclusive sojourn at Camp David has been getting on the market's nerves. Last Friday and again on Monday, it appeared to rally behind the President, not of course for greatly patriotic reasons but because Mr. Carter seemed bent on peeling back the layers of the energy/economic problem. Hopes were raised and oil stocks purchased in large quantities because decontrol of gasoline prices was known to be on his agenda and also because word got out that some of Wall Street's luminaries were receiving invitations to go to Camp David to tell the President what they thought he should do.

But as President Carter's grasp of the difficult choices to be made has presumably deepened, so also has Wall Street's scepticism. Decontrol of gasoline prices would be bad for inflation. The development of a synthetic fuels industry capable of substituting for 2 or 3 million barrels a day of imported oil would be terrifically expensive and environmentaly damaging. The President's room for manoeuvre without Congressional co-operation is limited and many legislators seem incapable of making up their minds from one day to the next about which policies should be pursued.

These and other judgements have, since Monday, turned the market sour. In the past 48 hours gloom has been intensified by the Administration's latest admission of a failure critical to investors. Recession is now an official prognostication and although it has long been written into the predictions of Wall Street economists, the market's reaction has been as numbed as that of a condemned man when the hangman's rope is actually put around his neck.

President Carter's Sunday night speech is going to have to be very good indeed for him to regain some confidence in the business community. But it may indeed be impossible for the market to reward a good speech and an impressive policy initiative with higher share prices.

A recession, first of all, hurts corporate profits which have plunged in every one of the six recessions, some mild some deep, since 1948. From peak to trough the smallest drop in corporate profits was 22.7 per cent and even the gentle cold shower of 1970 prompted 24.7 per cent fall.

The battering of International Business Machines this week suggests that the market as yet to take fully the profits outlook into its calculations. IBM's publication on Thursday of its first quarterly decline in profits in four years brought a wave of sell orders which reduced its price by 1½ and which showed no sign of abating by midday yesterday when the stock had dropped below 70.

Although IBM warned a couple of weeks ago that its second quarter earnings would be disappointing, analysts had not expected an actual fall in profits. But neither do they expect the bulk of leading industrial companies to report 1979 profits lower than last, which is precisely what may happen in the recession.

Thus the penalty which IBM has paid this week for relative failure could well be in store for many other companies.

Monday	852.99	+ 6.83
Tuesday	850.34	− 2.65
Wednesday	843.36	− 6.48
Thursday	836.86	− 7
Friday	833.53	− 3.33

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
Ind. Ord. Index	466.6	− 4.4	558.6	446.1	Economic and labour worries
Blue Circle	256	−16	356	244	Persistent small selling
Cartiers	142	+12	145	106	Agreed 150p cash bid from Tesco
Clark (Matthew)	152	+20	174	130	Revived speculative demand
Eurotherm	315	−38	370	190	Disappointing interim figures
Fairbairn Lawson	25	−7	68	25	Delay in annual report
Harris Queensway	252	+18	273	172	Investment demand
Hay's Wharf	140	−27	178	136	Proposed £4.8m rights issue
Hunting Gibson	260	+28	263	98	Favourable Press mention
ICI	324	− 8	415	323	Sales of employees' shares
Metal Box	258	−10	359	258	Lack of support
Midland Bank	366	−16	455	348	Rights issue fears
Rothmans Intl.	62	− 7	81	57½	Dividend increase disappoints
Rowntree Mackintosh	166	− 8	229	164	Overseas earnings concern
Sandeman (Geo.)	78	+13	80	57	Speculative bid hopes
Silhouette A	88	+31	103	42	Bid terms from W. L. Pawson
Sirdar	90	−13	123	79	Fading bid hopes
Tricoville	72	−16	95	44	Damatex withdraws partial bid
Trusthouse Forte	167	−12	198	137	Overseas earnings concern
Valor	86	+12	90	52	Chairman's confident statement

U.K. INDICES

FINANCIAL TIMES Average week to	July 13	July 6	June 29
Govt. Secs.	72.89	73.19	70.68
Fixed Interest	74.62	74.51	72.36
Indust. Ord.	469.9	473.4	471.6
Gold Mines	162.4	162.1	158.7
Do. (Ex S pm)	148.9	152.1	158.7
T'tl. bargains	16,009	17,542	16,055
FT ACTUARIES			
Capital Gds.	240.84	243.34	241.42
Consumer (Durable)	225.58	228.53	229.13
Cons. (Non-Durable)	232.24	234.36	232.97
Inds. Group	232.69	235.52	234.29
500-Share	269.04	271.30	271.35
Financial Gp.	190.05	193.33	196.94
All-Share	246.17	248.67	247.45
Red. Debs.	57.50	57.58	56.98

FINANCE AND THE FAMILY

An administration order

BY OUR LEGAL STAFF

We cannot get a firm of solicitors, A & B, who are executors of my late mother-in-law's small estate to complete winding it up and, in particular, to deal with a few trinkets and some furniture they hold. Another solicitor says there is nothing further he can do as A & B are executors. Do you agree? Would an approach to the Law Society be of any use, or must we wait until A & B say their costs have consumed the balance of the estate?

An approach to the Law Society may prove useful. It is certainly worth trying. Otherwise your wife's only course is to apply to the Court for an administration order or for directions in the administration of the estate. As the estate was small this could be done in the County Court but the costs of doing so might even then be disproportionate to the value of the unadministered estate.

The situation of a boundary

The boundary of my garden is described in a Land Registry document as "centre of existing hedge." The hedge concerned is an old hawthorn hedge on either side of a dry ditch, but in recent years my neighbour's have removed most of the trees on their side and extended their gardens into the ditch. They seem to suppose my garden ends with the hedge on my side. *What do you consider is the boundary?* Is there any action I should take?

The situation of a boundary is a question of fact. In your case the centre of the hedge-ditch-hedge feature seems likely to be the true boundary. But, as the hedge on one bank has now been removed there is a danger that the fact that there used to be hedges on both banks of the ditch will become obscured in time. You should therefore "perpetuate testimony" by procuring now statutory declarations by any people who know the site well and have done so *for some time, in which they* can describe the position as it was before the clearance of the hawthorns on your neighbour's side; and, preferably, stating where the boundary runs.

Transferring real property

I have noticed in recent answers that you advise the best way of transferring real property which will avoid capital transfer tax is the declaration of a trust for sale and the division of the interests under the trust into a number of parts which can then be transferred each year. But is capital gains tax charged on the whole of the assets at the time of the declaration of the trust for sale? *Is it not the case that there is only a transfer when the parts are transferred?*

We have tried to make clear in our earlier replies on the subject that the declaration of trust scheme does not prevent capital gains tax being payable. Hence in cases where the subject matter is not a principal residence it is important to consider whether any saving of capital transfer tax may not be offset by bringing forward the date when capital gains tax is payable. The date of the declaration of trust would not normally be a disposal on which gains tax is chargeable, as the trust will not create settled property.

No power of attorney

My brother suffered a serious accident some months ago, and since then has been more or less unconscious. I am told I cannot get a power of attorney to manage his affairs. What, then, can I do?

It is correct that a power of attorney *cannot be granted* while your brother is not conscious, for the donor of the power must be capable of handling his own affairs at the time when he grants the power. The only course would be to make an application to the Court of Protection under the Mental Health Act 1959.

Exchange rate and a salary

I am an American working in Britain for a U.S.-based company. My salary is paid in and deposited in my U.S. bank. The company submits a statement of my salary to the Inland Revenue, but in pounds. What rate of exchange should be used?

From what you say, the schedule E assessment should be based on the rates of exchange on each pay day (presumably the days on which the dollar amounts are deposited in your U.S. bank).

A section 146 notice

In 1973 I leased a portion of a small industrial property I own, and last year I served a notice under Section 146 of the Law of Property Act, 1925, because of the neglect of the property and later I applied to the court for forfeiture. Meantime, in 1975, the tenant moved into an adjoining part of the building and some time later, by letter, he agreed to pay me an extra rent. Because *I have nothing but this letter,* on what basis can I serve a notice for lack of repairs under Section 146 and because of such breaches of the covenant in the part formally leased, the subsequent application for forfeiture? Are not obligations implied as *to repairs of the premises?*

The normal inference, *in the* circumstances which you describe, would be that the extra area occupied since 1975 is held as an addition to the land demised by the original 1973 lease; so that the covenants in that original lease will be extended to the additional area. You can therefore serve a Section 146 notice on the tenant in exactly the same manner as you have done in respect of the original demised premises, save that it would be wise to recife that the premises were demised in 1976 on the same terms as the original lease. We think that in fact there is only the one lease and that the 1975/1976 transaction resulted in an accretion to the property demised by the 1973 lease. There *is* therefore no need to rely on implied covenants as the covenants in the written lease will govern the parties' rights and obligations.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Cottage transfer to children

Referring to your reply under cottage transfer (June 2) in which you suggest a declaration of a trust for sale and the assignment each year of sufficient of the equity of the property to absolve the annual gift exemption; we are concerned about the effect in such circumstances of the provisions dealing with associated operations. What is your view on this point?

We appreciate your concern and we accept that a case can be made out for attacking the *transaction under Section 44.* However we think that Section 44 would not be held to apply where there is no obligation to make the *future* transfers or assignments of the equitable interests and where a regular pattern of such transfers or assignments is avoided.

Non-residents tax

I am resident abroad, and for some years have been using a provincial firm of accountants to sort out my UK tax affairs, but they do not seem to have all the answers or be capable of getting speedy responses from the Inland Revenue. I have considered using my banks tax department, or one of the international firms of accountants, but I imagine their fees would be high. For investment I wondered *about* stockbrokers in, say, the Channel Islands, who are accustomed to overseas clients. What do you advise?

You cannot hold your accountants responsible for the time taken by the Inland Revenue. Whilst tax inspectors can bring pressure on taxpayers (and their agents), the tax laws generally provide no means of bringing pressure the other way.

Most London stockbrokers are equipped to serve the needs of non-residents, so it is really up to you whether you prefer to use a broker outside the UK.

If you think your present accountants have insufficient experience of non-residents' taxation, you might try the tax department of one of the international banks; your own bank probably has many non-resident customers, but you do not say which bank it is.

From reading between the lines (and you have not really given us many clear facts to go on), we doubt whether one of the larger international firms of accountants is likely to give you what you need at a price you would find acceptable.

Farm tenants responsibilities

Possessing three farm smallholdings, for which we have always executed all external repairs to the houses and farm buildings, I now find, with the high costs of such work, that the rents from these (which have been fixed by an agricultural valuer) only meet a small portion of the repair bills, causing an imbalance in the accounts. I understand that repairs for this type of property was, through a fairly recent Act of Parliament, made to be all or partly the responsibility of the tenants. Could you please let me know if this is correct? There are tenancy agreements and the only reference to repairs is "the tenant shall keep all fences, ditches, drains, gates and interior of the premises including glass in windows in good and tenantable repair." There is no mention of repairs by the landlords.

Section 2 of the Agricultural Holdings (Notices to Quit) Act 1977 regulates the length of notice required for a notice to quit served on the ground that the tenant is in breach of a term of his tenancy. Under Case D a six months' notice is required for breach of a repairing obligation. But the obligations remain under the general law that the tenant is responsible for interior repair, while the landlord has no obligation as to the exterior. If you want exterior or structural repairs done you must do them, but you are not contractually obliged to do them. You will of course need to ensure that there is no *breach of the Public Health* Acts i.e. the property must not be allowed to become a dangerous structure or unfit for habitation. You may also be responsible for certain internal matters, principally the water and heating apparatus, if the tenancy was granted for less than seven years since October 24 1961.

Protecting borrowings

INSURANCE

JOHN PHILIP

ANYONE who borrows money *commercially*, as distinct from privately, for whatever purpose and from what ever source, is subject to some degree of credit vetting. The lender needs to ensure, so far as he can, both the return of his capital in due time and also during the period of the loan the regular payment of interest.

But even the borrower who is in credit terms the most gilt edged or copper bottomed, can die, be injured, fall ill, or lose their job. It is thus by no means unusual for banks, finance houses and retailers and so on providing loans or credit facilities to offer borrowers the opportunity of insuring their inability to pay.

Such insurance is clearly good for the lender, and though it is paid for by the borrower, is good for him too because in the first place it frees him from a considerable degree of financial worry. Moreover, because the cover is provided by way of a group scheme it is normally much cheaper for him to buy than if he seeks to insure his indebtedness on an individual basis. This is partly because insurers' administrative expenses are reduced, and partly because insurers get a much better spread of risk.

Indeed many of these group schemes provide cover that the borrower cannot normally purchase elsewhere in any other way—cover against his inability to pay through his unemployment. Of course where unemployment cover is provided there are exclusions and financial limits (but this is true of all aspects of credit insurance) but most *schemes pay* instalments, rental or whatever during unemployment for at least six months.

The amount of cover provided is, of course, directly related to the premium insurers want and the price the lending organisation reckons it is sensible competitively *to ask its customers* to pay—or in some cases to include in the cost of its finance facilities where the insurance is not offered as an optional extra but included in the cost of the package.

The precise mix of cover in any scheme is therefore variable: Just as many schemes include cover during unemployment, as many probably most, also provide cover for the death of the borrower. But all are built around the provision of insurance for disablement, whether due to illness or injury.

In the case of death insurers normally undertake to repay the outstanding amount of the borrower's debt. In the event of injury, illness or unemployment they pay part or all of the instalments as they fall due. Payments are not usually made to the borrower but on his behalf, direct to the *lending organisation.* The borrower is thus relieved of his obligation but never actually gets his hands on the *insurance money,* though he has to initiate the claim and provide all the requisite evidence that insurers require—medical certificates and so on.

Most loan and credit agreements require monthly payments by the borrower but not all insurance schemes provide cover for the repayment *in full* as they fall due. Sometimes insurers make what they call "proportionate" or "per diem" payments. In these cases the borrower who is for example off work for 20 days in a month gets two-thirds of the appropriate monthly instalment paid on his behalf.

Cover does not normally commence at the first day off work. Insurers fix "waiting periods" of varying lengths to *protect* themselves.

Depending on the particular scheme the minimum waiting period may be as short as 10 days or as long as 30 days—and waiting periods of different lengths may be written into the same scheme for the various *aspects of cover, say* 15 days for injury and illness and 30 days for unemployment.

Inevitably, many borrowers enjoy less than average health, having some long-standing physical disability which from time to time lays them low. Because insurers underwriting this kind of scheme do not normally require medical evidence or detailed health declarations, they apply to the majority of schemes the exclusion to be found in most individual disablement contracts—that of disablement due to physical disability which is known to the borrower and which the borrower has suffered prior to the loan or credit agreement.

This "pre-existing" exclusion, as it is called, is as vital a protection for *insurers as is* the waiting period. Without it claims costs would rocket, and the price of insurance for all, healthy and otherwise, would double or treble.

Incidentally, for the protection of larger loans, insurers may *sometimes* require detailed health declarations. But borrowers should not be misled into thinking that the declared health abnormalities are insured. For in this kind of situation the health declaration is only a key, or sometimes a bar, to admission to the scheme. Once admitted the full rigour of all the scheme's exclusions apply to the borrower.

As I have said premium is paid by the borrower either overtly, or as part of the cost of the borrowing. Payment can be made by way of a single premium at the *outset* or month by month as loan repayments or interest or whatever fall due. But the choice of method of payment is not the borrower's option. It depends on the terms of the scheme set up by the lending organisation.

GOLD COINS

ROGER JOHNSTONE

Australia is to mint its first gold coin in nearly 50 years in yet another attempt to cut back the ballooning federal deficit. Mr. John Howard, the Treasurer, announced the move this week although only giving scant details of the actual issue.

He said the first issue from the highly-respected Federal Mint would be a "collector" type coin with a face value of A$100 and would be aimed at Australia's large *community of* numismatists. Of more interest will be a later issue of pure gold bullion coins along the lines of South Africa's Krugerrands.

Although Australians are now allowed to hold gold, certain legal statutes will have to be altered to facilitate minting of the new coins. This will be done in the forthcoming budget session of Federal Parliament, so Australia's gold coins would probably not be available until early next year. It is thought that a competition may be held to decide on the design of the proof set.

The collector coins will be made available in proof form at a premium on value, while the bullion coins will carry a small mark-up.

Australia now joins a growing band of countries trying to follow South Africa's successful introduction of bullion coins a little over ten years ago.

The view from the top

MINING

KENNETH MARSTON

BY THE nature of things, anyone taking in the view from the mountain peak tends to look down, even though there may be higher peaks in the far distance. Back in April the chairman of De Beers, Mr. Harry Oppenheimer, was doing just this.

He was looking ahead after a *year in which world diamond* sales values had been boosted by currency uncertainties to a highest-ever R2.22bn, or $2.55bn. But the boom conditions had ended and he saw "return to normality in the market."

If anyone really knows about diamonds and the mysteries of the world they live in, it is Harry Oppenheimer. And so it came as no surprise this week to learn that the value of this year's first half sales of rough diamonds, handled by the Central Selling Organisation on behalf of De Beers and other world producers, had come out at a less exciting R1.09bn, or $1.27bn.

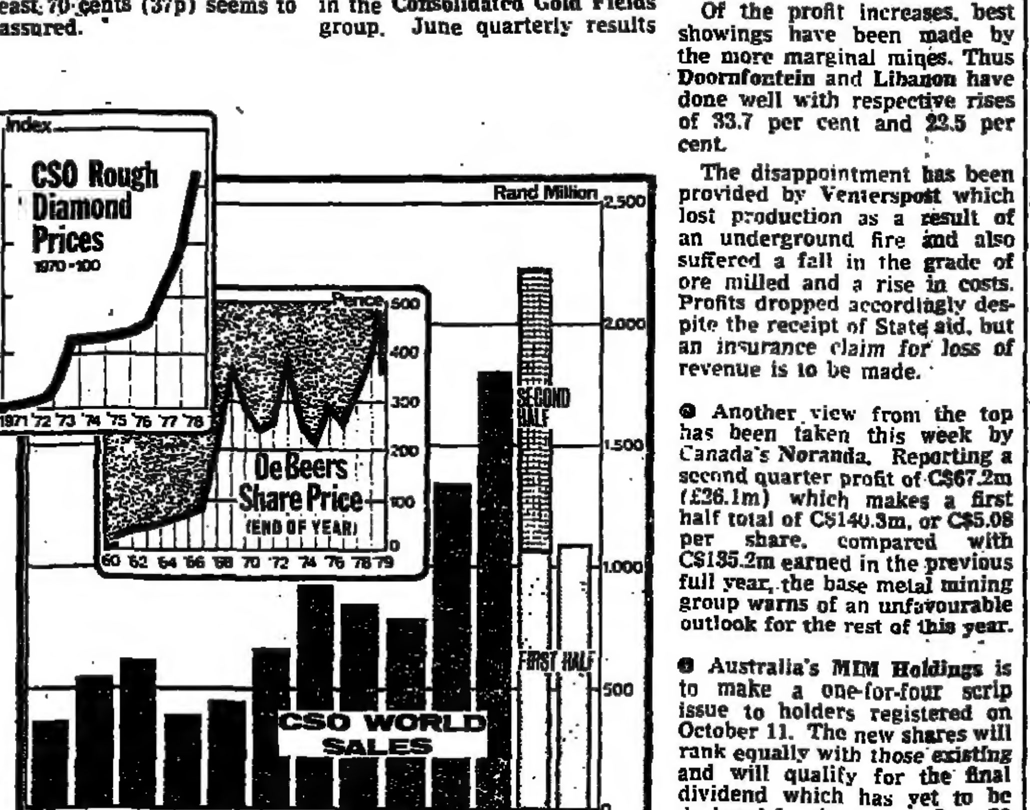
Admittedly, these figures were respectively 2 per cent and 4 per cent above those of the 1978 first half, but the latest period had the benefit of the big price increase of 30 per cent which came into force in August, 1978. So the latest figures reflect a sizeable fall in the volume of diamonds sold.

While the market for the larger gem stones remains reasonably good, that for the smalls which range from about ¼ carat to 1 carat (there are 142 carats to the ounce) has become weak. Furthermore, fairly large unsold stocks of polished diamonds are being held in the cutting centres where some short-time working *has been reported.*

This is a seasonally quiet time in the diamond trade and an eagerly awaited guide to *market prospects will come in* September when buying of roughs takes place in preparation for the Christmas trade. Particularly important will be the attitude of the U.S. market which accounts for about half the total gem trade.

In the meantime the indications are that second half sales may not be much different from those reported for the first six months; a further price rise would, of course, make a difference, but whether this will be made is a moot point.

At all events, De Beers and the CSO are unlikely to be very worried. The latter probably still needs to build up its reserve stock of diamonds which was run down last year, while the former still expects a good year and should be receiving a much higher flow of interest on its big above-normal cash reserves. A modest increase in the dividend from 65 cents to at least 70 cents (37p) seems to be assured.



The most encouraging aspect of the latest report from Ashton has been the indication of a further diamondiferous area (Fitzroy) and the start of deeper drilling which has encountered diamonds down to a depth of 70 metres. There is still plenty of time for Ashton to come up with results likely to stir the blood of the sharemarket.

There has been little stirring of the blood in the market for South African gold shares this week, despite the firmness for the most part of the bullion price and the publication of another set of increased quarterly profits from the mines in the Consolidated Gold Fields group. June quarterly results received by the Gold Fields group producers in the June quarter was R6,963 per kilogramme. This equals $255½ per ounce and compares with R6,547, or $240, in the March quarter.

A *feature of the quarterlies* has been the success in holding down what has been a very worrying rise in costs. Last quarter the Gold Fields group's average increase in unit costs was held to a creditable 3.1 per cent; it is worth bearing in mind that the rise in oil prices does not greatly affect these underground operations but bears heavily on the open-pits.

Of the profit increases, best showings have been made by the more marginal mines. Thus **Doornfontein** and **Libanon** have done well with respective rises of 33.7 per cent and 22.5 per cent.

The disappointment has been provided by **Venterspost** which lost production as a result of an underground fire and also suffered a fall in the grade of ore milled and a rise in costs. Profits dropped accordingly despite the receipt of State aid, but an insurance *claim for loss* of revenue is to be made.

● Another view from the top has been taken this week by Canada's **Noranda**. Reporting a second quarter profit of C$67.2m (£26.1m) which makes a first half total of C$140.3m, or C$5.08 per share, compared with C$135.2m earned in the previous full year, the base metal mining group warns of an unfavourable outlook for the rest of this year.

● Australia's **MIM Holdings** is to make a one-for-four scrip issue to holders registered on October 11. The new shares will rank equally with *those existing* and will qualify for the final dividend which has yet to be declared for the year to June 30 last.

● Malaysia's **Ayer Hitam** has completed its financial year with a tin concentrate output of 2,291 tonnes against 1,794 tonnes in 1977-78. The mine will also have received a considerably higher price for its tin in the past 12 months. **Malayan Tin** *with a year's concentrate* output of 3,268 tonnes against 2,568 tonnes and **Southern Malayan** with 2,328 tonnes against 1,978 tonnes have also done well.

● Space satellite prospecting information via the Landsat *system is to be used by* **Getty Oil. Australian Consolidated Minerals** and the **Ashburton** joint venture to explore for uranium in 70,000 square miles of the Pilbara-Ashburton region of Western Australia. Getty will have a 60 per cent stake in the search.

Apart from a slight distraction occasioned by the falling Skylab, the major hunt in Western Australia is still that for diamonds and the Ashton venture of **Conzinc Riotinto of Australia** remains the focus of attention. A further progress report this week has contained the usual sampling results which continue, disappointingly, to be of a multitude of very tiny stones.

The largest announced has been one of 6.47 carats, but the *discovery of many more* diamonds of considerably larger size would be required to rate the prospect as exciting. At the moment it ranks as no more than intriguing, but these are still early days and the many kimberlite "pipes" discovered have been barely scratched.

from the other groups will be announced next week.

But, here again, the view being taken from the peak level gold prices has given rise to caution. Most observers feel that the bullion price is about to run out of steam after its strong advance and that a setback is due at any time now.

So there is not great interest in golds, despite the fact that the high dividend yields being offered are based on earnings made at much lower than current *bullion prices. Uncertainty* is the worst enemy of any sharemarket and when it rules there is little room for logical assessments.

Bullion prices received by the mines in any one quarter vary according to the timing of their sales, but the average price

The battle of the perks

TAXATION

DAVID WAINMAN

IT HAS been suggested in the Press recently that the Conservative Government is considering a radical amendment of the "benefits in kind" legislation.

There are in fact two separate sets of provisions: one covers all employees, while the other relates only to *directors and* to those employees earning over £8,500 per annum. The two regimes differ markedly, and it has been well said that there is one law for the rich and another for the poor: although there can be considerable argument how heavily penalised the rich are *by the more stringent provisions* applying to them.

The law for those who are not directors, and whose earnings (counting in their benefits) do not amount to £8,500 can be simply stated. They are taxable on the cash amount of their earnings: they are also taxable on earnings which come to them in non-cash form—the example always quoted is that huntsmen are by custom entitled to sell the hides of the animals upon *which they feed their hounds.* This and other similar rights are described in the tax legislation as "perquisites," and along with salaries, fees, wages and profits, they are defined into the comprehensive term "emoluments" on which tax is charged.

Two further points need to be made. The first is that the general law (that applying both to employees earning under £8,500, and to those over it, *except in this latter case to the* extent that it is replaced by the special provisions outlined below), is appropriate only to tax money payments, or items which can be turned into money. (except that the law has recently been widened to bring in also medical insurance and vouchers exchangeable for goods). Where "encashable" goods or services are given, tax is paid on their second-hand value.

The *second* qualification to the general rule is that housing supplied to employees has always been taxable. There have been numerous attempts to introduce sense into the exceptions from this rule, and bite into the provisions dealing with non-exempt housing. The latest rewriting was Mr. Joel Barnett's dream child, S.33 Finance Act 1977. This section is complex enough to require a series of articles all to itself, but its general intent is to charge tax on those enjoying beneficial occupation by reference to the higher of the rent paid by their employer or the gross rateable value of the premises.

Each of these measures of the benefit is objective and certain. They are therefore eminently suitable for use as the basis of taxation—and once the Revenue recognised this it was more or *less inevitable that the alternatives* of cost to the employer, or an annual value derived from an objective formula, would be the basis to be used for subsequent benefits legislation, and in particular for that applying to directors and the higher paid.

We thus find with no surprise that in *Section 61 and the succeeding sections* in the Finance Act 1976, the general rule for attributing a value for tax purposes to any benefit is that cost to the employer is to be taken as the relevant measure. Where the benefit consists of the employer's permitting an employee to use an asset which remains the employer's property, then the annual value is taken as a general rule to be 10 per cent of the asset's market value.

There are a few exceptions. If it is true that the Conservatives want to reduce or eliminate the advantages of paying employees in kind, they hardly need look further than the valuation rules. For instance, gross rateable values of accommodation may once have been a reasonable measure of value. But today two *factors* conspire to call these values into question. First, the updating of the rolls is substantially in arrear: *but much more significant* is the second factor, that the whole basis of valuation ignores, purposely, questions of availability or otherwise. If rented accommodation is in extremely short supply, can its value realistically be derived by ignoring that shortage but otherwise looking for "the rent which might reasonably be expected to be obtained on a letting from year to year if the tenant undertook to pay all usual tenant's rates and taxes, and if the landlord undertook to bear the costs of the repairs and insurance, and other expenses if any necessary for maintaining the subject of the valuation in a state to command that rent."

Where a car owned by the employer is made available to an employee so that he can use it for his private purposes, the valuation of that benefit can only be described as arbitrary. (It must be understood that this benefit is the "availability" of the car for private use: whether and how much it is used privately is irrelevant, *except to the extent that there* are different rules for valuing the private availability depending whether the business use is more or less than 10 per cent of total mileage.) It is only in the sense that the benefit figure is thought to be inadequate that it can be said that anyone "gets his private motoring at the Chancellor's expense:" and even then it would be fairer to recognise that his employer is just as significant a contributor as the Chancellor to the costs of making the car available.

The value ascribed to the availability of an employer's asset can be arbitrary. But there is also an optical illusion built into the rules for valuing other benefits, an illusion which seems to deceive many employers and their employees. If an employee pays his own telephone bill of £100, he needs £250 of gross income in order to leave him with the necessary £100 net after 60 per cent tax. It is therefore said that advantage is gained if his telephone bill is paid by his company. The figure on which he is then assessed is only the net sum of £100, and this costs tax of only £60 in place of £150. What many fail to see is that like is not being compared with like. In the second case the employee is dipping into his pocket for £60. To enable him not to do so—to put this case on all fours with the other one—he needs to be given £150 in cash so that he can pay tax both on that £150 and on the telephone bill benefit.

YOUR SAVINGS AND INVESTMENTS

EDITED BY EAMONN FINGLETON

Sir Geoffrey Howe's income-tax revolution has reduced the appeal of low-yielding Government securities for wealthy investors. Has the penny dropped with the gilts market? **Martin Taylor** reports

A bumpy ride for Transport 3%

ALTHOUGH Sir Geoffrey Howe's Budget dealt a heavy blow to the tax avoidance industry, it would be naive to suppose that people are any keener to pay the top rate of tax—now 75 per cent on investment income—than they have been in the past.

The gilt-edged market has its own temptations for the high-rate taxpayer as it offers two ways of reducing tax on investments. The first takes advantage of the deep discount at which low-coupon stocks, mostly issued in a happier age when Bank Rate was around 3 per cent, stand with respect to their redemption level. The second involves using the "special-ex" facility to strip the dividend from a high-coupon stock.

First, the low-coupons. The old favourite, Transport 3 per cent 1978-88, issued to buy out railway stockholders at the time of nationalisation, now stands at around £65 but will be repaid at £100 in 1988. Its progress may be jerky (low-coupon stocks are very volatile), but on average it will appreciate by about 6 per cent a year over 9 years. As capital gains on gilt-edged are untaxed if the stock is held for over a year, this offers an excellent return to a high taxpayer. He also gets the 3 per cent per annum interest but that, of course, is subject to his highest rate of tax.

The dividend stripping method involves buying a high-coupon stock ex-dividend during the brief period when the stock can be traded either ex-dividend or cum-dividend, and selling it cum-dividend in the same period a year and a day later. In this way the dividend is trapped in the price of the stock and counts as a capital gain (*presuming, of course, that the market has not collapsed in the meantime*), and the stock has been held for long enough to ensure that no gains tax is paid.

Logically, since income tax rates were reduced in the Budget, the low-coupon stocks are less of a steal than they were, just as the tax subsidy on mortgages is worth less. So one would expect them to fall *against the gilt-edged market as* a whole: the "year-and-a-day" dividend ploy should be a relatively more attractive method of saving tax until low-coupon prices have adjusted downwards.

In fact the low-coupon issues have outperformed the market since the Budget, which has sent the market technicians groping for their computer models, where these stocks now stick out like a line of sore thumbs. Ken Ayers of stockbrokers Laurie, Milbank put the point against the low-coupon stocks (somewhat tendentiously) at the firm's recent seminar: he pointed out that the grossed-up net redemption yield for the Transport stock before the Budget was the equivalent of 250 per cent *for a 98 per cent taxpayer. For a* 75 per cent taxpayer, it is now only 25 per cent.

The gilt-edged market prides itself on its efficiency in correcting anomalies of this sort by adjusting prices. Indeed, brokers spend a good deal of time when the market is quiet advising their clients that one stock is slightly dear relative to another in the hope of picking up commission if the client *decides to switch his holdings* about.

Various explanations can be put forward for the perverse behaviour of low-coupon stocks in the last month. For a start, the low-coupon issues attract private clients rather than institutions and the market in these stocks tends to be rather less efficient: it is just not worth carrying out certain switches unless you are investing millions.

Another suggestion concerns the absence of taps. Until yesterday, there had been no official supplies of low-coupon stock since the 3 per cent 1981 stock was sold out earlier this year. It is also possible that high taxpayers, expecting that they will be better off in general as a result of the tax changes, are *committing more* money to the market. If they believe that interest rates will fall over the next couple of years, they can enjoy the volatility of the low-coupon stocks, which should then move rapidly much nearer to par.

Whatever the reason, many gilt-edged brokers believe the relative strength of low-coupon stocks cannot last long. Ayers is advising his clients that they *may be able to* pick them up a good deal cheaper in a few months.

He says: "The changes that we expect to occur will prove all of them (stocks with coupons below 10 per cent) dear at present levels, although some are clearly dearer than others."

Surviving the American nightmare

UNIT TRUSTS
EAMONN FINGLETON

HAVE UNIT trust managers changed their spots?

For years the rudest question you could ask many unit trust groups was how their funds were doing against the index. Cynics have held that you would usually do better picking investments with a pin than relying on the unit trust industry's vaunted investment brains.

Now the theory seems to have *gone out the window—at least* in the case of America-oriented funds. Each of the 21 American unit trusts logged by Planned Savings magazine has beaten the Dow-Jones Index over the year to July.

If you had invested £1,000 in the Dow-Jones stocks a year ago your holding would now be worth only £636. The Dow has actually risen in dollar terms in the period—by about 3 per cent: but the dollar premium has crashed from around 52 per cent to only 10 per cent. Meanwhile the pound had risen from $1.86 to $2.18—cutting the dollar's sterling value by nearly 15 per cent.

Against this background, investors might be relieved that £1,000 invested in even the worst performing American unit trust—Midland Drayton American—would now be worth as much as £665. Less than half the trusts have shown a fall of more than 10 per cent—and three are actually showing a gain.

The unit trusts' performance has been buoyed up by re-invested income—and it has also benefited by a slightly better showing among second-line American stocks than that *of those in* the Dow-Jones Index.

But the major reason for the unit trusts' relatively good performance is their approach to the dollar premium. For years *many unit trust groups* have used loans raised abroad as a means of avoiding having to pay the premium. They have stuck with the arrangement through thick and thin—mainly thin until recently.

Their gloom about the premium has finally paid off in the past year. Loan arrangements have the side-effect that they neutralise exchange movements. If, for instance, the sterling value of American securities bought through the loan route falls because of exchange movements, there is an automatic offsetting cut in the sterling value of the dollars borrowed.

The loan route did not insulate the trusts fully from the premium's problems—because until recently foreign exchange rules required that no more than about 87 per cent of a foreign portfolio could be funded through loans with the rest bought with premium currency.

To be fair to the unit trust industry many groups were predicting a big fall in the premium a year ago—and some were strongly bearish of the dollar, too. But good luck has also played a part in some cases.

Picking the right shares has helped the better-performing trusts add to the advantage of the underlying technicalities. Among groups which consistently do well which appear towards the top of the table are Allied Hambro, Framlington M & G and Cabot.

The principal reason for Midland Drayton's poor performance is that unlike the others it remained heavily invested through the premium most of the time.

AMERICAN LEADERS AND LAGGARDS

How American unit trusts performed in the year to July 1

	Gain/loss* %
Antony Gibbs/American	— 2.6
Allied Hambro/Securities of America	+ 2.0
Schlesinger/American	+ 1.0
Target-Scotland/American Eagle	— 2.0
Framlington/American	— 2.0
M & G/American	— 2.4
Cabot/American Small Companies	— 3.3
Britannia/North American	— 3.4
Hill Samuel/Dollar	— 6.4
Rowan/America	— 6.4
Crescent/American	— 6.7
Save and Prosper U.S. Growth	— 9.8
Stewart/American Fund	— 9.9
GT/U.S. & General	—10.3
Henderson/North American	—10.5
Bridge/American & General	—11.4
Barclays Unicorn/American	—11.4
Chieftain/American	—11.5
Arbuthnot/North American	—13.5
Gartmore/American	—15.5
Midland Drayton/American	—33.5
Dow-Jones Index (in sterling terms)	—36.4

Money Monitor

Fixed asset

FIXED interest rate offers to savers are catching on among building societies. The latest deal comes from the Grainger society, which is offering a guaranteed 10 per cent net of basic rate tax over three years.

With assets of more than *£60m, the Grainger is one of* the biggest societies so far to offer fixed rate investments. At most societies, the term rates are not guaranteed but fluctuate in line with the basic building society interest rate.

Following the Building Societies Association's rates changes yesterday, most societies will be paying 9¼ per cent tax-paid for three-year money from August 1. But such a good rate is unlikely to last.

The Grainger's rate is, therefore, extremely attractive.

The Grainger, which is a member of the Building Societies Association, has matching gilt-edged securities to ensure that it can honour its obligations. The gilts were bought at a market low a few weeks ago and savers are benefiting from the competitive terms of the purchase.

The minimum investment is £1,000.

You can write to the society at Grainger Chambers, Hood Street, Newcastle-on-Tyne.

Changing down

An improvement in the insurance rating of many types of car has shielded many motorists from the latest rise in General Accident's car insurance rates.

Among the cars affected are the Mini 1275 GT, the 1294 cc Alpine GL, the Datsun 120A/F11 Coupe and the Toyota Corrolla 30, which all move from group 4 rating to group 3. Group 3 insurance usually works out about 15 per cent cheaper than group 4.

General Accident is also improving the rating of the Mazda 818MkII, Toyota Cressida and the 895 Volkswagen Polo.

The improvement in ratings is mainly because spare parts are easier to get or their prices have been cut.

Loans for foreign homes

The good life is possible again—if you can get a loan.

THE ELEGANT traditions of British travel have taken rather a knock in recent years, with currency movements and exchange controls forcing holidaymakers to accept package tours or cheap hotels, while their continental counterparts occupy villas freely purchased with strong currencies.

Sterling's unusual strength *and the relaxation of* exchange controls provide an opportunity to redress the balance. Estate agents in the UK report a surge of interest in foreign properties and overseas agents may be inundated this summer with inquiries from *British* people intent on buying a flat or farmhouse in some corner of a foreign field.

CREDIT—1
JOHN MAKINSON

A major problem for many prospective buyers will be finding the money. There is no tax relief on buying foreign properties and building societies are barred from lending abroad. The best bet is probably your local bank manager. Clearing banks have recently been *moving into* the home loan field and foreign properties are a relatively unexplored field for them though they have an international network of branches.

The banks say that overseas lending remains a low priority but there is a good chance that they will become more involved once the corset stops pinching. Aside from any absolute growth in the market, tax cuts have ensured that buyers are increasingly younger people, who often need credit, rather than those on the verge of retirement who can pay out of savings.

Lloyds, for example, says that it is "more than happy to look at this kind of business," but adds that a number of technical problems arise—notably collateral. Banks will be reluctant to accept foreign property as security for a loan but could lend in either sterling or foreign currency if credit were backed by assets in the UK. This might be a problem for the emigrant, but less so for the possessor of a rapidly appreciating British property on which a good part of the mortgage has already been paid.

Banks will also be interested in the rental value of a property, often easier to judge than the potential capital appreciation in an unfamiliar market.

The last of the lower rates

CREDIT—2
COLLEEN TOOMEY

IF YOU'RE thinking of borrowing money from a bank, take a tip and hurry to the Co-operative Bank on Monday.

The Big Four clearing banks have now all raised their rates of interest on personal and home improvement loans, but Co-op's rates of 16 per cent true rate on personal loans for up to three years and 17 per cent on home improvement loans for up to five years have not yet been changed.

On Monday, however, when Co-op's Board meets, these interest rates will come under review and possibly be raised by around 1 per cent. But the Co-op says the change will not affect loans fixed up on Monday.

Only National Girobank's 17.4 per cent on larger loans is better. As long as you satisfy the branch manager you can pay back the loan you are given as good a run for your money as a regular customer, the Co-op says. It will suggest, however, that you might open a current account with them.

Lloyds was the last of the *clearing banks to raise* its interest rates on personal and home improvement loans, effective from yesterday.

The true rate of interest on £1,000 borrowed on a new personal loan over two years is 19.6 per cent compared with 17.7 per cent before. True interest rates on £3,000 borrowed on a home improvement loan over five years are now 18.7 per cent compared with 16.9 per cent previously.

National Westminster raised its rates on Wednesday, Barclays on July 2 and Midland set the pace in mid-June with a true rate of over two years going from 17.7 per cent to 19.7 per cent.

But don't think you can march in off the street and with a sweep of a pen across an application form get the maximum £3,000. Job, home ownership and other points will be taken into account.

HOW THE BANKS' NEW LOAN RATES MEASURE UP (OLD RATES IN BRACKETS)

	Two-year personal loans	Five-year home loans	Maximum loan
Co-operative	18 (16)	18 (17)	£2,500
National Westminster	18.72 (17.7)	15.98 (15.07)*	No limit
Barclays	19.56 (17.8)	19.56 (17.8)	£3,000
Lloyds	19.6 (17.7)	18.6 (16.9)	£5,000
Midland	19.7 (17.7)	18.7 (16.9)	£5,000
National Girobank	n.a.	19.5 for £150 to £600 17.4 for £600 to £2,500	£2,500

* With security.

PROPERTY

Planning for retirement

THERE IS no magic recipe for where to live when you retire. Pulling up stakes and going to the country or seaside, whether at home or abroad, for a more favourable environment or climate, could mean cutting yourself off from family and friends.

"Granny flats" built on to a son or daughter's house is a fairly recent solution, reasonably successful, although with an element of risk because of the very proximity of one's family. Privacy for either side has sometimes proved a problem. The bonds of the British family unit are not nearly as strong as on the Continent.

The numerous large self-contained retirement villages I observed in the United States recently, non-existent in Britain, probably happily so as such complete segregation of age groups is not always desirable. There are however various individual successful private retirement housing schemes—Hill's development at Heath Court, Moulton Road, Newmarket, the Retirement Homes Association project at South Downs, South Darenth, Kent, and now the latest, luxury cottages for retired people by The English Courtyard Association, designed to anticipate the problems of advancing age. The ECA developments will be situated in Cathedral and market towns or large villages, the idea the brainchild of Noel Shuttleworth, who began research some seven years ago, based on his own mother's requirements.

"*Sites are selected* because they are within a few minutes easy walking distance of good basic shopping and other amenities. Those who don't want to drive a car won't find themselves *cut off from* community life. The aim is to create the attractive and relaxed atmosphere of an English country house for those who have had to sell their own quality home and garden because it has become too large for them to manage."

The English Courtyard Association is a non-profit-making company limited by guarantee, *and a member of the National* Federation of Housing Associations. Building is being financed by Geometer Developments, and, so far, sites are at Wadhurst, East Sussex, and Upton-on-Severn, Worcester, with the first actual undertaking at Manor Court, Pewsley, 81 miles from London, seven miles from Marlborough. Here two blocks of two-bedroom, two-bathroom cottages are nearly finished, in three-acre gardens and woodlands stretching down to the River Avon.

You can go along and see the courtyard taking shape now, and those who exchange contracts soon on the 150-year leases from £36,500, could possibly be installed by the autumn. The third block should be ready for next spring.

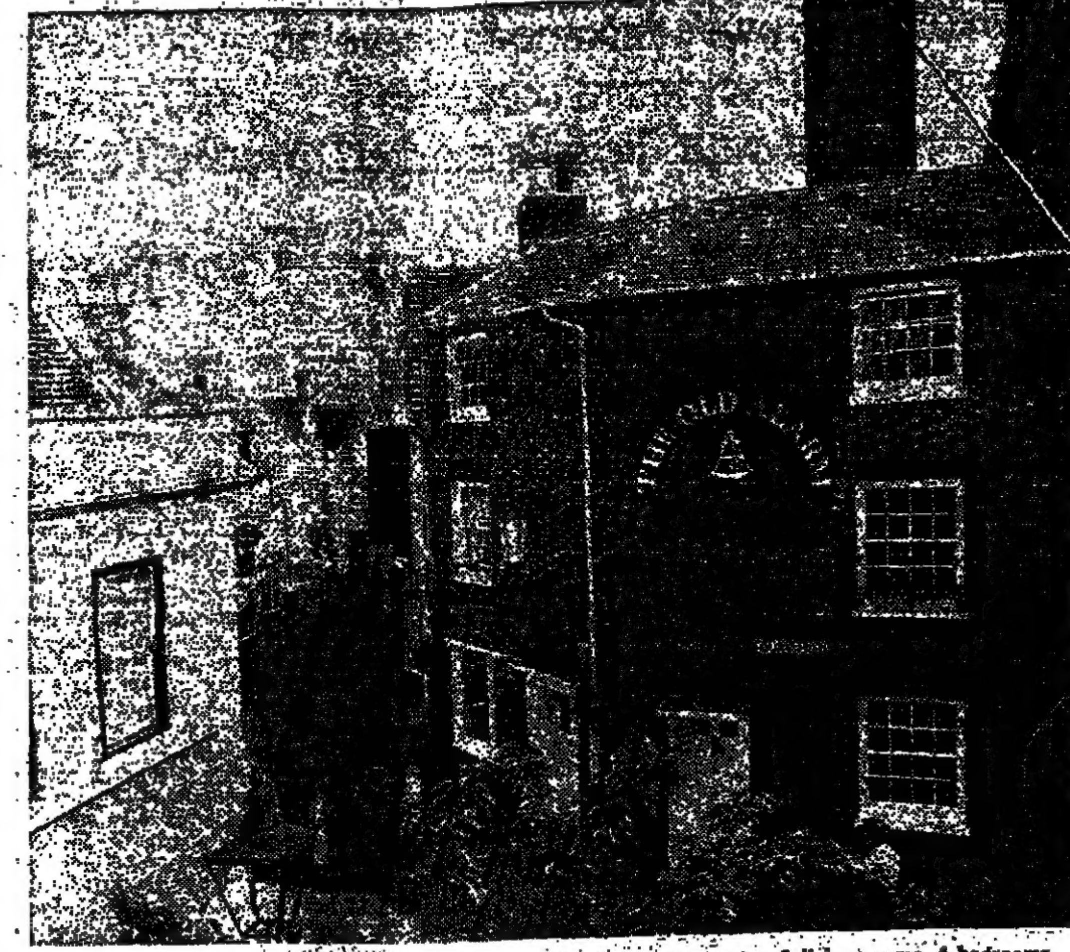
The whole concept is to make life easy for the retired. One hesitates to use the word elderly, as the qualification of the principal resident (who need not necessarily be the owner), is that they should be over 55 years old. Every room has a pull-cord that activates a "bleeper" paging system so that the full-time warden can be alerted immediately to any difficulties; doors are wide enough for a wheel chair to pass through; water-taps, door, *window handles, and such like* can be operated without using a strong grip.

The ground floor of the cottage is so designed that it can be used as a flat, with two *rooms, kitchen and bathroom,* leaving the upstairs suite of two rooms and bathroom for a relation, companion or nurse.

Current outgoings have provisionally been worked out at: service charge £600 per annum, rates £170 per annum, and electricity £200 per annum, making a total of around £970 per annum.

"Costs will inevitably rise with inflation, but it is reasonable to expect that the Old Age Pension will increase at approximately the same rate," says Mr. Shuttleworth, who also makes the point that leaseholders would probably have some *cash in hand for* living expenses from the extra money invested from the sale of their house.

For an impressively detailed brochure with miniature site plans, apply Mr. Shuttleworth, director, The English Courtyard Association, 8 Holland Street, London, W8, telephone 01-937 4511, or Paul Greenwood, John D. Wood, 23-24 Market Place, Reading, telephone 0734 50266, agents for the project who will organise viewing.



The Old Alarm, c1680, on the delightful Quay Hill, Lymington, is an intriguing house used as an antique shop specialising in nautical instruments. The ground floor shop, office and workshop spreads over about 500 sq. ft., and the living accommodation on the 1st and 2nd floors has 2 living rooms, 4 bedrooms, bathroom and shower room. Full details Jeremy Stanley-Smith, Fox & Sons, 85 High Street, Lymington, Hants, who are quoting a price guide of £78/£85,000.

Ideas for small businesses

THERE HAS BEEN a large increase in the number of tired executives from the South East and West Midlands who want to get away from the vast company rat race, and buy their own *small business in the coastal* areas, or the West Country: this according to Bernard Thorpe and Partners, who are being asked to carry out an increasing number of valuations on small shops, pubs, small hotels and restaurants. Values are rising rapidly, almost to the same extent as house prices, say the company, who in the past year report a 40 per cent increase in the amount of valuation work they are doing for this type of client.

Some executives reach a point when they have just had enough and need a quieter life away from pressure, and with an increasing number of major banks, secondary banks and insurance companies lending money for mortgages, this is now *becoming possible. The* usual procedure is to sell their valuable property in the commuter belt, in which they have a large equity stake, and then use this capital to purchase a *new lifestyle in a quieter area.*

Normally a potential buyer wanting a loan is assessed almost completely on two points. The value of the bricks and mortar they are buying, and the percentage of loan they want for their business, plus an assessment of their likely capacity to pay back the mortgage repayments each month. Often up to 70 per cent of the cost is available depending on what type of business is being bought. In addition the mortgage company will look at what other interests the breadwinner might keep on, such as doing some work locally, etc., while the wife might bear the brunt of the work in the new business.

King and Chasemore's *Petworth office* have two attractive residential properties with business use for sale close to the centre of Petworth, one the 17th century Angel Guest House — where the present owners have built up a thriving business over the last 14 years. There are six bedrooms, a summer house, workshop, potting shed and fruit trees in a pretty garden, on offer at £52,500.

The three-bedroom St. Mary's Cottage in Church Street, used as an antique shop, has exposed beams, inglenook and bread oven, and rose-clad courtyard. Offers in the region of £55,000.

Walk along the *delightful* traffic-free twisting streets above the harbour in Quay Hill, Lymington, Hampshire, and you will find the intriguing 17th century four-bedroom cottage with its *antique shop selling* nautical instruments. Built about 1680, the property was originally two Carolean houses, eventually converted into one, and used as an ale house until 1950. The name is variously believed to have derived from the fact that a fire engine, The Alarm used to be kept outside *the pub. (Also in* 1839 a yacht called The Alarm was built in Lymington which in 1851 raced in the first American Cup and won, while up at nearby Beaulieu a ship of the line was *also* called The Alarm or The Old Alarm.) The guide price for the cottage and shop is £75/£85,000, details Jeremy Stanley-Smith, Fox and Sons, 85 High Street, Lymington, telephone 0590 75424.

For study on most of the problems you could encounter on running a small business, there is **Buying A Shop** by business transfer agent A. St. *John Price FCA.*, (£2.15) from Marketing Manager, Kogan Page, 120 Pentonville Road, London, N1). **Buying A Shop** by T. Hercroft (£2.50 from T. Hercroft Ltd., Southview Road, Southwick, Sussex), Alvin Taylor's **Starting and Running Your Own Business** (£3.50 from Moore Publishing, Abacus House, Henderson Street, Grimsby), and Croner's **reference book for the self-employed** edited by Daphne Macara, £11.90 from Croner Publications, 46-50 Coombe Road, New Malden, Surrey. All prices include postage.

Merrydown, Hawley, near Camberley, Surrey, 6-bedroom, 2-bathroom house with gas central heating, extended to include a 3-room granny flat, which has raised power points to avoid bending, and an alarm bell system. £89,950, details S. Garbett, Mann & Co., 22 Commercial Way, Woking, Surrey, or local office 29 Obelisk Way, Camberley, open Sundays 10.30 a.m.-4 p.m.

TRAVEL

Calm inland waters

BY PAUL MARTIN

IN ADDITION to inventing the jet engine, the hovercraft and a good deal more besides, the British are credited with discovering the Côte d'Azur. In the same tradition, British companies are now the leading operators on the extensive and often remote network of French canals.

Several sections of the waterways, little used by commercial operators and threatened with closure, have today found a welcome new lease of life as you journey along their calm waters at the highly desirable pace of a waterborne snail.

After trying out part of the Canal du Nivernais in western Burgundy on a self-drive *Caribbean* boat, so familiar on the Norfolk Broads, two years ago, I had some reservations about repeating the experience on another section in the cossetted and pampered luxury of an hotelboat. In the event I have seldom felt so relaxed or more pleasantly and totally indolent than during four sun-filled days in truly rural France on board *Secunda*.

Secunda, a former Dutch "klipper," has been imaginatively and tastefully transformed and the 96 ft long traditional barge has now nine comfortable cabins, all with running h and c and shaver points. With three loos and showers, she provides every comfort for the small complement of guests. The saloon, with a bar in the corner, is pleasantly spacious and there is plenty of open deck above the cabins.

Food on holiday is important and never more so than when in France. The full-board quoted means just that. The very English custom of early morning tea is maintained and cereals, fresh croissants—collected from the nearest bakery by the mini-bus which accompanies the hotelboat—yoghurt and fruit make up breakfast. Elevenses, afternoon tea and cold drinks are available without charge and the unlimited wine, served at both lunch and dinner, is not plonk but well chosen AC, mainly from the region.

Dena, the cook, armed with cordon bleu recipes, produces culinary miracles from the diminutive galley and was paid the highest compliments by some chauvinistic French who had threatened to cancel their booking on learning that the gastronomy was entrusted to the perfidious English!

John Liley, the skipper and canal enthusiast, runs a smooth and effortless operation and himself opted out of the rat race several years ago after editing a leading boating magazine. If you feel like a foretaste of what is in store, his book "France—The Quiet Way" (Stanford Publications) is a delightful read and filled one lazy lovely day.

The itinerary is flexible and we spent a morning in the little hill town of Vézelay, with its magnificent basilica crowning the summit, stopping to collect a new bicycle in Corbigny on our way back in the mini-bus.

While there is, of course, no obligation to do so, you can always give a hand at the locks, manned mainly by over-sized lady lock-keepers—we are not the only male chauvinists—stroll or bike along the towpath in the knowledge that you will be there before Secunda. We often tied up by a leafy canal bank without a habitation in sight.

Time is of minimal importance and only the odd pleasure craft passed us as we made our way up a staircase of locks to the highest point at a man-made reservoir. It had matured and mellowed so that it was hard to believe that it was not natural. Three tunnels, recently repaired, added to the continuing variety of the scene.

Secunda, bookable direct through Inland Voyages (Bookings), runs from April to October and a week's fully inclusive holiday, with transfer from Central Paris on a Sunday and return on Saturdays, costs £240 per person sharing a twin-berth cabin and £280 for sole occupancy. Cox and Kings have an inclusive ex-UK package which includes return scheduled air to Paris and one night's accommodation there at £294 and £344 respectively.

If you make your own way to Paris, Silver Arrow, combining rail with the short BIA Gatwick-Le Touquet flight, is quick and efficient.

In listing several other specialist firms with hotelboat operations in both France and the UK, where Boat Enquiries acts as a central booking agency,

Roger Taylor

The Angel at Henley on Thames

I then went off to sample a short trip on the Thames with Continental Waterways which also has an extensive French programme.

Clemence and *Cadence*, two venerable and imaginatively converted barges, each carrying 12 passengers and a crew of four, make their leisurely progress along the Thames, London's river which we, perhaps, take too much for granted. We spent the mornings ashore, visiting some of the exquisite and still remote villages in the lovely and timeless Thames valley. There was time for a pint in a pleasant pub before lunch on board, cruising idly in the afternoons and mooring before an excellent dinner with time to explore places like Marlow and Henley.

Maurice Dowdall, who can tell you who owns each mansion with its gorgeously-manicured billiard table riverside lawns, skippers *Cadence* while son-in-law, Simon, handles *Clemence*. I liked both the craft and their totally informal, informative approach.

The prices quoted are again fully inclusive, covering early morning tea, full English breakfast, afternoon tea, wine with both lunch and dinner and all the trips ashore. Six-day cruises start at £220 each for a couple with a single supplement of £30 while the three-day rates, joining on Mondays or Thursdays, are from £120 and £135 respectively.

Whether you embark in the luxury of an hotelboat on our own inland waterways or on the often remote French canals, the keynote is total relaxation on calm waters.

ADDRESSES: BIA (Silver Arrow), Berkeley House, 51-53, High Street, Redhill, Surrey, RH1 1RX. Boat Enquiries, 7, Walton Well Road, Oxford OX2 6ED. Continental Waterways, 27, Albert Bridge Road, London, S.W.11. Cox and Kings, 46, Marshall Street, London, W.1. French Government Tourist Office, 178, Piccadilly, London W1V 0AL. Inland Voyages (Bookings), 1-4, The Birtles, Wythenshawe Town Centre, Manchester M22 5RF. John Morgan Travel, 35, Albemarle Street, London, W.1. Stanford Publications, 12, Long Acre, London, W.C.2.

GARDENING

ARTHUR HELLYER

THE SUMMER rose show of the Royal National Rose Society always provides an opportunity to assess present trends in rose breeding and now that the show is being held in the Society's own gardens at St. Albans, the prospect of getting a true picture is improved by the proximity of the trial ground in which the newest roses can actually be seen in growth. Excellent though last week's show was and splendid though the garden was looking, I have regretfully to report that I was unable to detect anything very novel either for this year or for years immediately ahead.

"Thank goodness for that," I can imagine some readers murmuring. And maybe they are right, for the rose already offers such a range of styles, sizes, flower shapes, colours and perfumes that it is quite hard to think what further developments are really desirable. All the same there are two that I have been wanting for years, one the completely disease resistant rose, which is probably a pipe dream since nature always finds a way to getting back to a balance, and diseases play their part in maintaining that balance; the other is the elimination of thorns or at any rate those monstrous hooked horrors that catch one by the scruff of the neck when one is least expecting it. This is possible because thornless roses do already exist though no doubt I shall be told once again that the most famous of them all, the pink climber Zéphirine Drouhin, is completely sterile and so cannot be used in any breeding programme.

Then let the breeders use all the resources of modern science, including genetic engineering if necessary, to make Zéphirine Drouhin yield up its bland gene or get it from elsewhere for there are other thornless roses including the delightfully named old Boursalt climber Madame de Sauncy de Parabire.

I am sure that if there were a will the way would quickly be found but at the moment no one seems interested and certainly no bonus points are to be scored in the trials by any rose that is thornless. In fact I doubt whether the judges even stop to consider what kind of thorns each variety has for no one seems to agree with me that the elimination of at least the more lethal rose armoury would do more to promote the popularity of the rose than any development since that accidental mating, more than a century ago, between an unknown hybrid perpetual and an equally anonymous tea rose that started the whole modern production of long season bedding roses.

But if there was nothing in the show or the trial grounds which really made me stop in my tracks and say "That's new and nice" there were several developments on familiar themes which seemed to be entirely desirable. Most of all I liked Regensburg which combines the compact habit so much sought after by several breeders these past few years with the bicolor effects that have been a McGredy speciality ever since he introduced Picasso in 1971.

Most of these "hand painted" roses, as Sam McGredy likes to call them, are rather brash in colour, none the worse for that if one has the right place for that kind of thing but emphatically not for every situation. By contrast Regensburg is a demure charmer, pink and white, not in the least aggressive and so neat in habit that, apart from the size of the rather flat multi-petalled flowers, it would almost qualify as a miniature. Height averages 45-50 cm and the flowers tend to be carried all on top so this would be an ideal rose for bedding.

There was also Snowcarpet, a prostrate miniature that spreads along the ground, covering itself with small white flowers like a tiny rambler. An ideal rose, one would imagine, for carpeting beneath taller roses but not those, like Regensburg, that cover the ground so completely themselves leaving neither light nor space for anything else beneath them. Snowcarpet is another newcomer from the McGredy breeding establishment in New Zealand and it has already been given a trial ground certificate which means that the judges think well of it.

Apart from these two it looked rather like the mixture as before. From Cocker of Aberdeen came a beautiful large flowered rose along the lines of Silver Jubilee which proved such a success last year.

MOTORING

With a drink in the tank

BY STUART MARSHALL

DRINK AND driving are rightly frowned on officially all the world over but the Brazilian motorist would not get very far without the help of alcohol. Before anyone runs away with the idea that Brazil is a boozer's *paradise, however*, let me explain that the alcohol is for the car, not the driver.

Three years ago, in a bid to cut oil imports, the government began mixing about five per cent alcohol with petrol. Last year, the proportion *had risen* to 20 per cent, which is the strongest alcohol/petrol mixture a car will run on without extensive engine modifications.

Last week, at the Fiat factory at Belo, Horizonte, a sprawling, growing town an hour's flight from Rio de Janeiro, I drove the world's first small family car designed to run on nothing but *alcohol*.

The Fiat 147 is blood brother of Europe's best selling small car, the Fiat 127. There are *differences to the suspension*—explained by the roughness of Brazilian roads—and minor cosmetic changes inside and out. It is *being* made at the rate of 500 per day. Most have a 1,050 cc petrol engine that develops 51 horse power on the 20/80 alcohol/petrol mix but there are a couple of up-market versions, the GLS and Rally, with 1.3 litre motors developing 61 and 72 horsepower respectively.

The 1,050cc engine is familiar to a lot of British motorists. It has been exported from Belo Horizonte to Turin for the past two years and in many European markets 80 per cent of all Fiat 127s are powered by it. Britain is one of them.

It is the 1.3 engine that has been adapted to run on 100 per cent alcohol. Most interestingly, it has also been dieselised, just like the Volkswagen Golf's. Fiat Brazil will be exporting 20,000 fully assembled 147 diesels to Europe next year. Initially, they will go to Italy, but later they will be sold in other Western European countries where diesel cars are now being snatched out of the showrooms.

Whether the 147 diesel will come to Britain is doubtful. At present Fiat UK (unlike Peugeot and VW) don't reckon British motorists sufficiently diesel-minded to make it worth their while to import them. but this attitude could change. What is certain is that the 147 diesel will never be sold in Brazil. There, diesel cars are outlawed altogether. All the imported gasoil is needed to fuel the 700,000 lorries that shift 80 per cent of the freight traffic over *this vast and under-populated* land.

Alcohol is the fuel of the future for Brazilian motorists. The *use of 100 per cent alcohol*-burning cars is being encouraged by the government. It is building up a fleet of several *thousand for official* use and is encouraging motorists to "think alcohol."

Soon, pumps selling 100 per cent alcohol will be operating in all major cities. It will cost the equivalent of 60p a gallon; the same as gasoil and half the price of the 20/80 alcohol/petrol mix. And there will be another incentive: alcohol pumps will work at the weekends. Petrol pumps shut down from 7 pm Saturday until 6 am Monday.

To make an engine run on 100 per cent alcohol the compression ratio has to be raised (from 7.2:1 to 11.2:1 in the Fiat 147's case). The inlet manifold is heated by a simple baffle on the exhaust manifold and provision is made for the engine to cold-start on petrol in temperatures below 10 degrees Celsius. The 147 I drove had a tiny tank the size of a screen-wash reservoir under the bonnet. You have to press a button to operate a solenoid-controlled valve that diverts petrol to the carburettor.

As soon as the engine fires up, you release the button and *that cuts in the alcohol supply* from the main tank. A litre of petrol would suffice for several months of cold starts.

Driving the alcohol-powered 147 was an anti-climax. I tried several of them—a 3-door *hatchback*. a *pick-up* truck and a panel van. They all went exactly like a petrol-powered car. Acceleration was as lively: the engine pulled as smoothly and flexibly and howled up to high revs. The only difference was the exhaust. Fiat assured me it was less polluting. I thought it smelled much nicer.

Alcohol/petrol mixes are, of course, nothing new. (Does any reader remember Cleveland Discol, favoured fuel of sporty drivers of 30 years ago because its small alcohol content made engines less liable to pink?) But the all-alcohol car cannot possibly be the answer to Europe's oil shortage.

It can be made from anything that ferments. In Brazil, it is distilled from sugar cane, *manioc* (a sort of potato) and babaçu, a close relative of the coconut. An estimated 3 per cent of Brazil's land area would grow enough sugar, *manioc* and babaçu to fuel the entire car population.

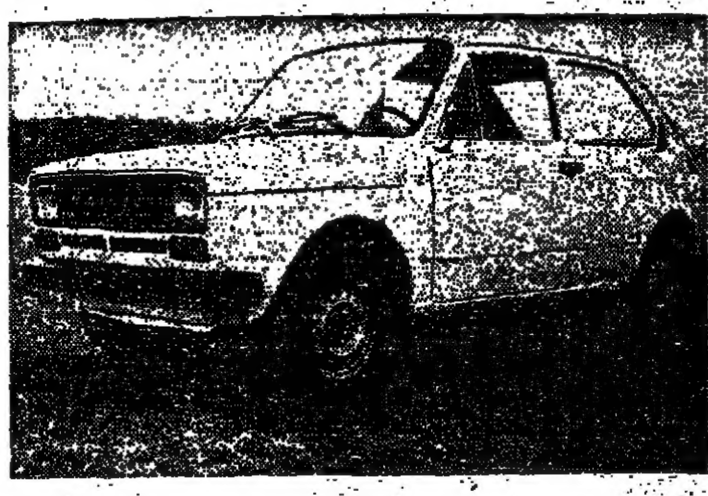
At present this stands at 7m and about 1m new ones are going on the road each year. But Brazil is colossal; larger than the U.S., in fact. It has the kind of climate that cash crop producers dream about and plenty of labour, too. Malaysia and Indonesia, also hot and well watered, might be able to run a similar petrol-substitution alcohol programme but it could *not be done in West Europe*.

The main fuel saving in Western Europe will be made by the diesel car, which has been growing in numbers at a rate limited only by the ability of manufacturers like Citroën, Fiat, Mercedes, Peugeot and Volkswagen to produce them. Fiat Brazil's 45 horsepower, 1300 cc 147 diesel—the smallest engined diesel car in the world—will make its contribution.

It should be even more economical than the VW Golf, which does 60 mpg in town, around 53-55 mpg on a journey. The Ritmo (known in Britain as the Strada) will get a Brazilian diesel engine in due course. Other Fiat diesel cars are based on the 131 and 132, *with motors of* 2.5 litres capacity made at Foggia, southern Italy.

In the early 1970s, journalists covering Turin Show asked Fiat chairman Giovanni Agnelli, year in, year out, when Fiat would make a diesel car like Mercedes. To which he invariably replied that Fiat customers wanted something more sporty than a diesel.

Those days now seem very far away.



The fuel crisis has hit some countries even harder than it has Britain and the U.S.. In some there is great enthusiasm to find sources of fuel. In Brazil great attention has been focused on alcohol, readily available from a variety of vegetable sources. The Fiat 147 (above) is an alcohol powered Brazilian version of the Fiat 127.

Literary revs

FEW BUT the fanatical can appreciate most "one make" car books but Rob Golding's "Mini" (Osprey Publishing, £6.95) is an exception. The 20-year-old Mini has become more a way of life than just a motor car. Golding's account of its genesis, development and production—and some fascinating revalations concerning its venetual replacement—makes easy and absorbing reading.

Another book out in the last few weeks is to motoring writers what *Wisden's* is to cricket commentators, Ruff's Guide to racing men. "World Cars 1979" gives full details of every car currently produced, including some pretty unlikely ones such as the Honqui (a limousine used by China's top brass) and the Gazel (a four door variant of the Triumph Herald still made in India). Also described are no fewer than 64 electric cars, ranging from a converted Cadillac with a donkey engine to drive the air conditioning, to a thing like a golf buggy called the Daihatsu Masters Seven. Publishers are *Herald Books* and the price, £13.95.

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SPORT

Open fascination

GOLF

BEN WRIGHT

TRYING to preview next week's Open Championship at Royal Lytham on Friday the 13th when the final 36 holes qualifying competitions are only just beginning is marginally insane. But such is the worldwide interest the Royal and Ancient Golf Club of St. Andrews has aroused by its panache in promoting its premier event, that to try and find a short list of comparative longshots which may contain the winner, is irresistible.

Ed Sneed is trying to qualify at St. Annes Old Links, so it is really sticking out one's neck to say that I regard him as a tremendous each-way bet at 50-1. There are few better or more rhythmic swings on the American PGA tour than that of the gentlemanly, wryly humorous Sneed. But most importantly, perhaps the unluckiest-ever loser of the U.S. Masters this April drives the ball as accurately as anyone, which will be the name of the game next week if all the reports one has heard about Royal Lytham's tigerish rough are true.

For this reason, I see twice-champion Tom Watson, despite his devastating record this year and previously, as a thoroughly suspect favourite at 9-2. Having witnessed his last three appalling performances—by his standards, I hasten to add—in America, it will take a great effort of character and considerable technical improvement if Watson is to prevail.

Having missed the cut in the U.S. Open, Watson led by three strokes after 54 holes in the Canadian the following week, only to blow himself out of contention on a formidable driving course at Glen Abbey, near Toronto, with a last round of 78.

Last weekend, at the similarly demanding Butler National course on the outskirts of Chicago, over which he had twice previously won the Western Open in 1974 and 1977, Watson trailed the eventual winner, Larry Nelson, by a single stroke, going into the final round, only to slump to another disastrous score of 78.

In looking for a good bet, it is always wise to include the man in proven form over the previous month. Among the players in this category surprisingly comes Australian Graham Marsh, who was in the top 10 in Chicago and Memphis and the top 20 in the U.S. Open at Inverness. Gary Player, the 1974 Open champion at Royal Lytham, tied for second place to Hale Irwin at Inverness, and finished in the top 20 in Memphis in his last two starts.

Ben Crenshaw was 10th at Inverness, runner-up to Lee Trevino in Canada, and lost the play-off to Nelson in Chicago last week. He is driving the ball so much straighter now that I believe he is at last in the position to make his overdue major breakthrough.

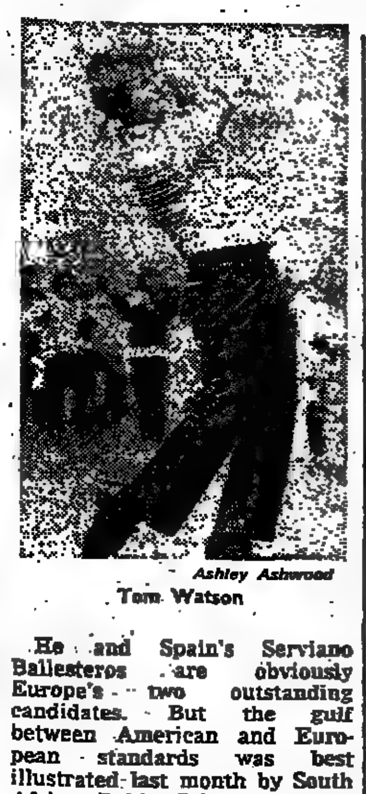
Others with imposing credentials in America over the period in question who may play—but this cannot be guaranteed—are Jerry Pate, Tom Weiskopf, Australians David Graham and Jack Newton, Mark Hayes, Andy Bean, Bobby Wadkins, Jim Simons, Tom Kite and Bill Rogers.

Of these, Bean's appearance depends on the troublesome stomach muscle that forced him to withdraw after 36 holes of the Canadian Open when in the top 10. But Bean is so strong, straight and talented around and upon the greens that he will go into my six against the field if he arrives.

The five outstanding names so far largely glossed over are those of U.S. Masters champion Fuzzy Zoeller, defending champion Jack Nicklaus, Hubert Green, Irwin and Trevino. Zoeller is such a cheerful, friendly and deceptively brilliant golfer that he will quickly become a favourite of the galleries. But I doubt whether he can bring the necessary application to bear on this, his first visit to England.

Nicklaus has twice finished third and once sixth at Royal Lytham, and is obviously desperate to prove that he is not on the slide. Green, fourth at Royal Lytham in 1974 on his first English visit, can never be disregarded; but I like the chances of Irwin and Trevino best of all.

Which brings us to the perennial question regarding the chance of a non-American winner. The pressure upon the British is so great that it is difficult to imagine a repeat of Tony Jacklin's momentous triumph at Royal Lytham in 1969. Brian Barnes has both the sterngth and the talent, but will he apply himself? It is a question we have asked of him for years, and he must answer positively soon, before it is too late.



Ashley Ashwood

Tom Watson

He and Spain's Serviano Ballesteros are obviously Europe's two outstanding candidates. But the gulf between American and European standards was best illustrated last month by South African Bobby Cole, a perennial failure in America for 11 years, during which time he has only once finished in the top 60 to earn exemption from pre-qualifying.

Cole's only victory was recorded over a poor quality field in the Buick Open of 1977. Yet he managed to fly in to finish runner-up to his countryman, Gavin Levenson, in the recent Belgian Open, before returning to fail to pre-qualify in Memphis and finish down the field in the Western Open, going into which he was 166th on the money list with just $3,164 to his credit this season.

It is absurd to think of Jacklin, despite his recent resurgence, as a potential winner, since he has convinced himself he is a miserable putter. Promising as they are, our new breed of young lions such as Sandy Lyle, Nick Faldo, Mark James, Michael King, Ken Brown, Howard Clark, Gordon Brand and Sam Torrance are hardly ready for such wicked pressure they would feel if they got into position to with, say, 18 or 9 holes to play.

Jacklin was far more worldly golf-wise in 1969, which is why I continually emphasise the value of competing in America, at least to gain the invaluable experience without which Tony could never have broken through. So my six against the field are Irwin, Trevino, Crenshaw, Bean, Sneed, Kite, with Pate as reserve and standby for Bean.

Roaring start for Britain

TENNIS

JOHN BARRETT

BRITAIN made a perfect start by winning the first two rubbers of the opening tie of their 1979 Davis Cup campaign against Spain at Eastbourne yesterday. First the British number one Buster Mottram destroyed the joint Spanish number one Jose Higueras 6—2, 6—3, 6—0 in an hour and 42 minutes and then John Lloyd, a controversial choice for singles justified the faith of the British captain Paul Hutchins by beating Manuel Orantes the experienced Spanish *left-hander 7—5, 6—1, 3—6, 6—2* after 2 hours and 6 minutes of brilliant but eratic play.

As losing finalists of the 1978 competition Britain were exempted until the semi-final stage of the European A zone. This was not quite the advantage it might seem for there were no early rounds to provide valuable match play for the existing players or team building opportunities for newcomers.

Spain arrived at Devonshire Park with two victories under their belts—a 4—1 win against the USSR and a narrow 3—2 success against Austria. This last match played at the insistence of the Austrians on a fast indoor court despite its mid-summer timing led to an international objection. Although strictly legal this play was clearly against the spirit of the rules and as a result such a procedure will be outlawed in future years.

The advantage of playing at home on grass was apparent from the start. Higueras played like a man programmed to lose. In the opening game he served his first double fault and an hour and 40 minutes later when facing match point for the first time, he served his seventh. In between Mottram subjected him to a copybook display of grass court tennis—serving and volleying with power and discretion, returning the first serve safely and punishing any short second serves mercilessly.

The last time these two had met in Davis Cup play was four years ago in Barcelona, and Mottram had won then courageously in the Spaniard's own backyard. At the start of 1979 they had a win each in the King's Cup competition, but even in losing Mottram had held five match points.

Not suprisingly there was a confidence about all that Mottram did to suggest that he has begun to believe in himself at last, as a grass court player. His play against John McEnroe in the second round at Wimbledon two weeks ago was surely the factor which finally changed his mind.

He showed then and again yesterday that when he uses his full height of 6ft. 4in. to serve solidly, and is prepared to risk fast exchanges at the net he can live with the world's best. Only for a moment did he waiver and that was when he lost his serve while leading 5 games to 2 in the second set. It was the only time that Higueras broke him and the Spaniard could hold only four of his own 12 service games.

As a youth Mottram used to hit the ball off the ground with more power than he normally does nowadays. The British Captain Paul Hutchins and indeed many of us have been encouraging him to hit the ball with the same weight as of yore.

At last he seems to be doing this and it is paying handsome dividends. A player with such secure and soundly produced groundstrokes should never waste them by steering the ball when a firmer shot will as often as not produce winners. Here is the real difference in the Mottram of 1979 against the man who extracted victories more painfully last year.

This was more than just another Davis Cup match for Lloyd. Having lost 19 of his last 20 singles since beating John Alexander magnificently last October in the 1978 Davis Cup semi-final, Lloyd's confidence was at its lowest ebb ever.

On a difficult windy afternoon Lloyd's ability to hit through the wind was the decisive factor in his narrow but decisive win. Orantes a touch player of rare quality found it more difficult to produce those deft touches which normally decorate his game.

In addition, there was the inevitable tension of having to recoup the loss of that opening rubber and with the pressure on him the Spaniard failed to rise to the occasion. He always looked unhappy against a rampant Lloyd and could find no sure way of keeping the Briton from the net where Lloyd's quick reflexes won him dozens of points.

Afterwards Lloyd was understandably relived. "I was very nervous in that first set and I thinkthink if I had lost it all the old doubts would have come back. It was a very important match for me to win and although I had been playing well in practice and am fitter than I have ever been it's not that easy to put it together in a match." But put it together he did and Britain are now in the unlikely position of doing what they did to Czechoslovakia and Australia last year, namely winning the first three rubbers to decide the issue without a fight.

The year the money started to flow

CRICKET

TREVOR BAILEY

ENGLAND should comfortably defeat India in the present four match series, which could prove an anti-climax after the excitement of the Prudential World Cup. Unfortunately the Indians, who were beaten by Sri Lanka in their one day international are unlikely to provide sufficiently strong opposition over here to trouble Mike Brearley's team, indeed it should be feasible to pick three different sides capable of winning this rubber.

The time to judge the strength of our present international Eleven is not now, but next winter when they return to Australia as part of a cricket spectacular for Channel 9 to show and for another of Kerry Packers' companies, PBC, to market.

England and the West Indies will both be playing three tests against Australia, who will be reinforced by their WSC players and probably captained by Ian Chappell. In addition there will be a limited overs competition between the three countries, culminating in a four one day match final, plus innovations and night cricket when possible.

This programme which represents an entirely new concept for an Australian tour was the result of the compromise—capitulation might be more accurate—between the Australian Board of Control and WSC. It should produce much needed revenue for Australian cricket, big money for the players and exciting television, while the entire operation will be professionally sold to the public. This is essential as costs are bound to be very high with two touring parties in residence.

Although no cricketer will never earn the same financial rewards obtainable in the main individual sports, like tennis and golf, an international player's gross annual pay has dramatically increased since Kerry Packer arrived on the scene, perhaps as much as *four-fold.*

The TCCP might well have argued that it would have been wiser not to undertake another visit in 1979/80, as we have just completed a long tour last winter, as well as that memorable centenary Test, following a visit to India in the previous year. Probably several of our key players would benefit from a rest from the game, but it is noticeable that complaints about too many tours and becoming stale are less frequent because there is so much next year around. I would be surprised if any of the West Indians, many of whom had been playing non-stop cricket, winter and summer for many years, can afford to turn down another lucrative Australian invasion, and the same applies to the England players.

The TCCP naturally wanted to assist the Australian Board and in view of the quite exceptional circumstances have agreed to their request. However, they have asked that we should revert to the old formula with five or six tests when we go again in 1982-83. Whether this will appeal to the Australians and Channel 9 probably depends on the success of this new venture. They are gambling on the appeal of the West Indies, combined with the chance of a reinforced Australia taking ample revenge for that heavy defeat inflicted by Mike Brearley.

The Packer package drawn up by the Australian Board of Control and the WSC was presented to the ICC, who were by their constitution placed in a difficult position. Predictably it was accepted with one or two minor amendments. The ICC rather like the old League of Nations has always lacked real power. Having been convincingly defeated in their bitter battle with WSC, they have now lost more teeth, which anyway have always been suspect and occasionally false.

Although these matches in Australia will be under the auspices of the ICC and the teams selected by their respective boards much of the power has now been transferred to the players. If the programme proved a failure, the Australia had been turned down the other boards would have had difficulty in satisfying the financial requirements of their star performers. They are the people who draw the crowds and create the interest, but even more important are essential to the sponsors and television, who are largely responsible for the new-found wealth.

I think it will work, but whether eventually it will lead to a surfeit of cricket to be followed by a drop of interest is less certain.

FISHING

JOHN CHERRINGTON

THE ADDICTION to salmon fishing which has dominated my life for the past few years is passing. After a total of some 20 days flogging empty rivers in Wales and Scotland I find myself turning down invitations to fish beats where in the past I have angled for the chance. I no longer deceive myself that the fish are there even if they can't be seen. I know that they no longer exist.

The situation is roughly the same country wide. There are reports of runs of fish in certain rivers, but these are brief interludes in an otherwise sterile situation. Reports from the Wye are particularly disappointing, because this river managed to produce good stocks of fish when many others failed. The catch this year has up to now been no more than a fifth of what it was last year and it is getting worse.

I believe the situation in the Wye has been mainly due to the 1976 drought which killed the parr and smolt in many of the tributaries. This means that eventually stocks might climb again as long as sufficient fish spawn over the next few years. Otherwise things will be bleak indeed. The situation has not been improved by the high price of salmon, which gives every sea fisherman and poacher an incentive to capture all he can.

My pessimism has been aggravated by the fact that where I have been fishing I have seen very few parr, which normally, at this time of year, are continually taking fly with an ambition extraordinary in so small a fish. These parr numbers, it appears to me, have been steadily falling over the past few years, and it is a phenomenon which others have noticed as well.

Fortunately during my long infatuation with the salmon I had remained moderately faithful to dry fly fishing on the Test, and this has the advantage these days of being only a few miles from my home.

The fishing this summer has been far from good. The water has been cold and after very heavy rains of May and early June the river has been swollen and cloudy. Weed growth overall has not recovered to the pre-drought extent, and was slow to get away. But in some parts it grew enormously, and during the weed cutting fishing became almost impossible as mud and rafts of weed made nonsense of any finesse in fishing.

Nor has there been a sensible hatch of fly since Mayfly time when I had one or two very good afternoons, not on the Mayfly but on smaller flies. But now flies are so scarce that I am tempted to follow the odd one downstream just in the hopes a fish will rise and take it. Generally though the fish have accepted the situation, and although they can be seen now the water is becoming clearer, they appear to have business on the bottom, and are not in a position from which they might be tempted by a floating fly.

July is often a very good month, particularly in the evenings. But in the first week there has been no rise at all so I have had to pay attention to the odd corners where a fish might lurk. I had a great piece of luck on a hot Sunday afternoon. I was sitting comatose, watching a raft of weed stuck to a footbridge, the current was taking the stream's rubbish past this, scraps of weed, an occasional fly and this seemed the most likely spot. There was a splash and I saw that the surface had been disturbed, but whether it was by a fish or dabchick I did not know.

Nothing happened in the next quarter of an hour so just before I left I floated a fly past the spot and got a 3½ lb rainbow. The only sign of life I had seen that afternoon.

In conditions such as these the fish appear lethargic. Instead of a bold rise they no more than disturb the surface as if they were nymphing. It is impossible to judge the size of the fish from the disturbance of the water, so they must all be fished. But there are few of them. So far I have not come home empty handed, and I shall stick to the Test like the prodigal son in hopes of an undeserved reward. But if anyone knows of some certain salmon fishing?

Top of the class

BOATING

ROY HODSON

"THIS YACHT built to Lloyds ✠100A1 . . . ." The description has the ring of quality about it and buyers are suitably impressed. Equally it is clear that few boat-owners are sure what the Maltese Cross and the 100A1 actually mean.

To start at the beginning. Lloyd's Register of Shipping is an independent, non-commercial society, employing more than 1,600 full-time engineers, naval architects, metallurgists, and other professionals round the world.

There is no direct connection between Lloyd's Register of Shipping and Lloyds of London the insurance market except that both stem from the activities of the same Mr. Lloyd who was most energetic in running a coffee house for City businessmen.

Lloyds Register nowadays sets a single standard for all ships that it "classes." The other side of its business is inspecting land-based projects ranging from cold stores to nuclear power stations to ensure conformity with recognised codes of standards.

The mystical symbol means three things to a yacht-owner. The Maltese Cross shows that the vessel has been built under Lloyds survey. The 100A is proof that the vessel meets the standards regarded by Lloyds as of the highest in current practice. The suffix 1 means that ancillary fittings such as the anchors, cable, warps etc. are of thicknesses and weights approved by Lloyds for the size of vessel.

But a buyer will want to know rather more than that before pinning his faith upon Lloyds ✠100A1.

Whether the vessel is wood, steel, aluminium, or glass reinforced plastics there is much comfort to be derived from the fact that the hull was built under Lloyds supervision. That means, in practice, that a locally-based Lloyds surveyor will be a frequent visitor to the yacht construction shed during the formation of the hull. He will inspect materials, working conditions, the temperature of the shed, and the methods of workmanship. He will not instruct the boat-builders or cast himself in the role of foreman. Indeed he may be too reticent for their liking. But if he does not like what he sees and measures, the hull will not gain Lloyds approval.

After that exacting birth the yacht has to be regularly surveyed throughout its life if it is to remain in classification. Those surveys are required every two years with any necessary repairs carried out each time under Lloyds supervision.

An owner must be prepared to search in his pocket to maintain a Lloyds classification. But the actual survey costs—without repairs—are not onerous. A survey for a two-year-old boat of around 32-ft length will cost about £60 in surveyor's fees. After four years a more extensive survey will cost about £110.

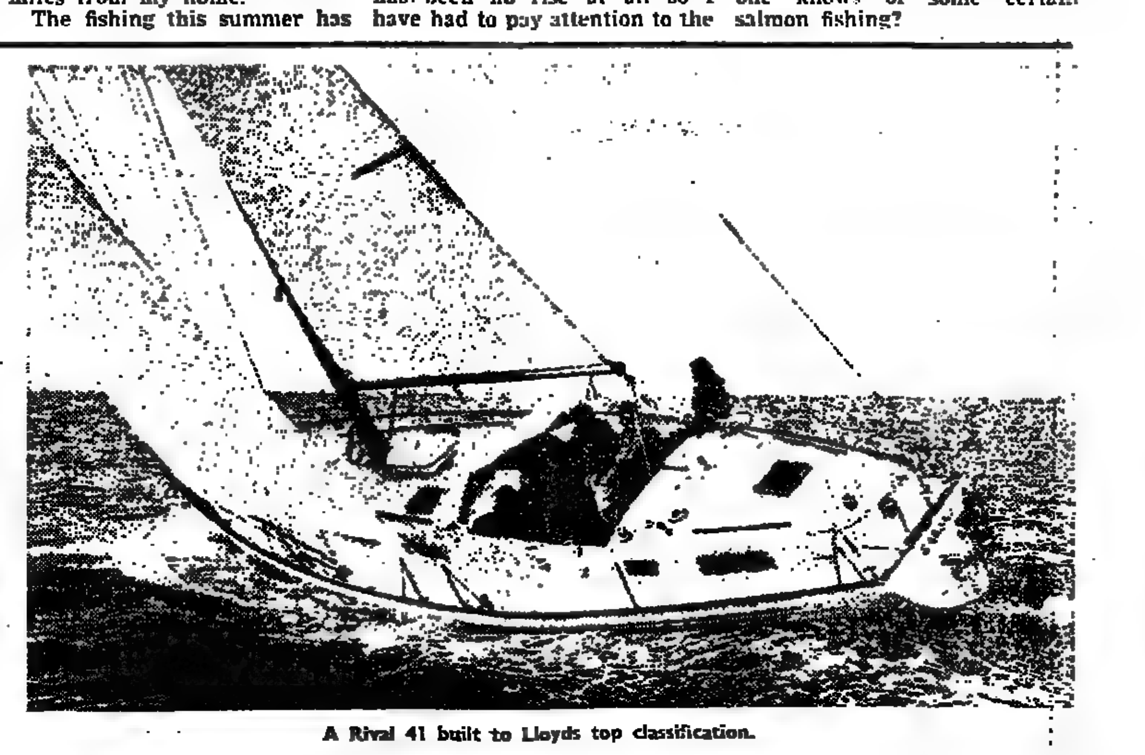
There have been a series of scare stories about glass-reinforced plastics centering about the dreaded word "osmosis." In plain English that disease of the modern yacht means blisters on the bottom. The Lloyds surveyors say they cannot guarantee that it will not happen if a boat is built under their supervision. But you can be sure that when a boat is built under their eyes everything possible will be done to create conditions that will minimise the risk of osmosis.

There is a growing body of opinion that osmosis is as endemic to glass-reinforced plastic as rust is to steel. The view of the Lloyds surveyors I have spoken to is that osmosis is something to be treated as a matter of routine maintenance and repaired as soon as possible. They emphasise that it is not a fundamental flaw likely to render an affected yacht valueless.

Earlier this year Rival Yachts of Southampton decided to build all their yachts in future to the top Lloyds classification. The Peter Brett-designed Rivals ranging in size from 32-feet overall to 41-feet overall have gained a justifiable reputation for their excellence as quality cruising yachts.

The company decided that it would be worth the extra expense involved to engage the surveyors and to modify specifications to meet all Lloyds needs. They have since found that foreign customers buying by correspondence or through agents are particularly encouraged by being assured of the Lloyds classification. The total cost of the classification is working out at about £600 on a boat costing between £30,000 and £60,000.

Mr. Fred Cane, one of the Lloyds surveyors based at Southampton, is now a regular visitor to the Rivals yard and follows each boat through the building sheds. When we met he had been advising on the diameter of some washers in order that the loading of bolts should be properly spread. That is the sort of attention to detail a classification involves. You can be sure that Lloyds will give you value for money for that certificate.



A Rival 41 built to Lloyds top classification.

BOOKS

Ladies' man

BY C. P. SNOW

A Pilgrimage of Passion: The Life of Wilfrid Scawen Blunt by Elizabeth Longford. Weidenfeld and Nicolson, £8.95. 467 pages

Wilfrid Scawen Blunt was nothing if not picturesque. He was one of the handsomest men of his time. He was also sexually attractive to a prodigious extent. There is a difference in kind between those two statements, as some women know by instinct or by experience discover. Blunt gave much joy to many women, so much that he remained on good terms with almost all from whom he parted—which is a testimony to a more than satisfactory lover. He was a daring traveller and one of the first explorers of the North Arabian desert. He became a passionate anti-Imperialist, and campaigned for small nationalisms anywhere, particularly if they were arising under British rule. He wrote poetry which won respect from Yeats and Pound.

In spite of a whole series of critical illnesses, he lived to a venerable age (born 1840, died 1922). In his last years he had become established as something like an eccentric national monument.

Yet, with all this, there was something deeply missing. Elizabeth Longford writing this biography, and able to draw on his own private papers, which were not available until 1972, has done her best for him, but with her customary honesty gives us something of a clue. She is discussing his poetry:

"Blunt had achieved realism in his sonnets at the expense of depth. But even if he had worked at them . . . . would be have climbed into the class of a Rossetti or even a Meredith? It may be that he was smothered by too great a fatality of gifts, that he attracted too many happenings, that he had too much external personality, so to speak . . . ."

The operative word is *external*. One comes away from this book, executed with all the author's formidable resources, feeling that, after all, under Blunt's magnificent panache there wasn't much of substance inside. It is a let down, but he doesn't seem to have been a specially interesting personality. He was certainly nothing like so interesting as his wife, Byron's granddaughter, reserved, inarticulate, long-suffering, curiously unperceptive (it took her a long time to realise that he was sleeping with some of her closest acquaintances) at least as brave a traveller as he was, and much hardier. She had a depth of nature which he didn't possess and which she faced with introspective candour, not given to him. Lady Longford is as comfortable with her as with other personalities of definite structure, such as Wellington and Queen Victoria.

Anne Blunt is one of the heroines of the story. The other one is the famous tart Skittles, who started Blunt on his erotic progress and probably understood him with more clear-sighted eyes than any of his later mistresses. There was affection between them right into their old age, long past the time when Skittles, getting on for sixty, had been simultaneously the confidante of Mr. Gladstone and the Prince of Wales.

Blunt not only married Byron's granddaughter, but set out as a competitor to Byron in amorous activities, and won, both in quantity and quality. Blunt was not fastidious about age. Friends' newly married wives of 18 were fair game. On the whole, though, he preferred upper-class married women in their thirties, members of his own circle of Wyndhams, Lyttons, and the group whom Max Egremont has called "the cousins." It didn't matter if they had large families. His best beloved, Minnie Pollen, already had ten children when she first fell for Blunt. Blunt promptly gave her another. His illegitimate children present a complicated tangle which needs considerable concentration to unravel.

His own wife had miscarriage after miscarriage, which darkened an unhappy life. One daughter survived and finally turned savagely against her father. That added conflicts to the end of his stormy existence. A good many of his women either were Catholics or became so, and he indulged in plenty of reflections about sin which were singularly complacent.

A girl didn't need much in the way of looks to be added to Blunt's collection. Margot Tennant was not pretty, but, before she married Asquith, Blunt cheerfully took her virginity. There are more surprising names in the list, among them the recently married Lady Gregory, aged 25. Blunt went on with his conquests until he was in his seventies and immobilised. To write "conquests," however, is not fair to Blunt. More often than not the women made the first move. Still, there have not been many more persistent womanisers. Almost for the only time in any of her biographies Lady Longford at one point loses her sense of the absurd. At the time of his marriage, Blunt engaged a lady's maid for his wife. The interview took place, rather oddly, on Waterloo Station. In his memoirs, he wrote, conscious of virtue:

"When I saw her, pretty as she was, on the platform, I had it on the tip of my tongue to say, 'You are far too pretty for the place' but I did not say it, and from first to last I refrained from the least word of flattery or love. For this she was grateful."


Elizabeth Longford—a new drawing by Judith de Beer

Lady Longford, also conscious of Blunt's virtue, comments: "The case of Cowie (the maid's name) shows that Blunt was not an uncontrollable amorist." Well. That reminds one of William the Silent, earning the respectful appellation for the remarkable circumstance of being silent once.

How much Blunt's crusades for nationalist causes really counted is hard to reckon. For the Egyptian one, not at all. For the Irish, it must have been at least a change in the nineteen hundreds to have a flamboyant upper-class English voice shouting loudly on their side. For the Arabs, he seemed something like a prophet to T. E. Lawrence which did not prevent him from continuing to back the wrong Arabs. Blunt also seemed a prophet to H. St. J. Philby, who continued to back the right ones. But the oil would have been found anyway, Arabists or no Arabists. Are Blunt and Philby remembered in Riyadh today?

Union boss

BY JOHN BOURNE

The Awkward Warrior. Frank Cousins: His Life and Times by Geoffrey Goodman. Davis-Poynter, £15.00. 616 pages.

A long time after the seven-week London bus strike in 1958 the then Minister of Labour, the late Iain Macleod told the author of this vast biography: "Cousins didn't fit into the TUC Establishment, just as later he didn't fit into the Cabinet Establishment. He is a loner, a simple purist. Not an ambitious man in the political sense, but a man who identifies himself with the people he comes from."

Even later, Jack Jones, who followed Cousins as general secretary of Britain's largest and politically most powerful trade union, said of his predecessor that no other man in our time, including Ernest Bevin, had inspired working people as much as Frank Cousins.

These quotations to Mr. Goodman's book—it is almost as long as one volume of the Crossman Diaries—come close to defining the strengths and weaknesses of the most remarkable of Britain's post-war trade union leaders. But comprehending Frank Cousins in the whole is almost as difficult as assembling one of those immensely difficult, interlocking jigsaw puzzles which were the fashion before 1939. (Where is that bit of cloud?).

Mr. Goodman, who has long been regarded as the best-informed industrial journalist on the British labour movement, makes a brave shot at putting the pieces together. The effect is kaleidoscopic. We are shown Cousins as "basically a shy man," dominated by his mother, also "rough and ready," arrogant, brash, vain, courageous, honest—he once lectured a wry, smiling Queen Elizabeth on how she should "Buy British," after asking her about her foreign-made dress and shoes. But Cousins also had an intelligence which impressed people as disparate as George Woodcock, the most formidable of TUC mandarins, and Sir Andrew Crichton, once chairman of the national port employers.

The biography also contains some startling evidence that Cousins—the arch left-winger, who over the H-Bomb precipitated the greatest internal crisis in the Labour movement since 1931—was once asked by George Brown whether he would become an MP in order to defeat Hugh Gaitskell as Leader of the Labour Party, after Labour's election defeat in 1959. Almost as intriguing is the information that, during the great conflict in the Labour Party over "In Place of Strife," the White Paper proposing penal curbs on strikers, a number of left-wing MPs urged him to return to Parliament and lead the *Left in the Commons* and then make a bid to oust Harold Wilson.

According to Mr. Goodman, "Cousins resisted that invitation as firmly as he had rejected other intrigues against the leadership. If he was to fight Establishment views, he was determined to do so with clean hands, and by concentrating on policies, rather than becoming involved in a bitter, personal contest."

The book also has some hitherto unpublished material—for instance, two long letters between Cousins and Gaitskell about the H-Bomb just before Cousins and his supporters brought about the defeat which led Gaitskell to tell the Labour Party conference he would "fight, fight and fight again to save the party we love."

It also contains enough evidence to suggest what I have always believed: that after his disastrous support of the London bus strike—when the Macmillan Government set out to break that new and frightening animal a left-wing general secretary of the Transport and General Workers' Union—Cousins gradually became a cautious industrial negotiator.

This is not true, of course, on the big political issues of the day: the H-Bomb, Clause IV, nationalisation, opposition to the Labour Government's plans for statutory wage constraint, and the right of the rank and file through Labour Party conference decisions to lay down socialist policies which a Labour Government must follow.


Frank Cousins: fighting all the way

In those arenas, Cousins was as brave and proud as a lion. Indeed, his eventual resignation from Mr. Wilson's Cabinet—where he might have become an effective Minister of Technology—was as much about the impracticability of statutory wage restraint as about its unacceptability, a point, ironically, on which Mrs. Margaret Thatcher would at present agree with him.

The riveting part of the book, however, is the detailed and, at times, excitingly painted scenes of Labour's H-Bomb battles. Here the two protagonists, Cousins and Gaitskell, stand out as giants of courage and integrity, each refusing to budge from the principle he thought was right. They appear as two colossi, between whose legs the figures of men like Brown, Crossman, Wedgwood Benn, and Bill Carron pettily crept about trying to find meaningless compromises.

Fiction

Taken mysteriously ill BY ISOBEL MURRAY

Shirley's Guild by David Pryce-Jones. Weidenfeld and Nicolson, £5.25. 150 pages

Letter to Sister Benedicta by Rose Tremain. Macdonald and Jane's, £4.95. 175 pages

Five For Sorrow, Ten For Joy by Rumer Godden. Macmillan, £5.95. 238 pages

Reported Missing by Lilian Barnea. Collins, £5.50. 221 pages

David Pryce-Jones's new novel, *Shirley's Guild*, is a tale of the visionary, or the paranormal, or the miraculously supernatural, or the sick. But one reason why it works, and why reading it is such an uncomfortable experience, is the time and skill he devotes to setting it in the real, even prosaic world.

This is the world of a decaying and unpretentious farmhouse on the quiet Welsh marches. Here Francis Williams lives a busy, trivial, useless life, occupying himself largely in watching his assets disappear and polishing corners of the house. His wife Pat does dressmaking, and makes ragdolls for a craft-shop. They are depressingly credible, and we feel in advance for the only daughter Tina and her prospects of a full life.

Saved against her will from an Italian romance, sent home for the holidays from a job escorting wealthy Arab shoppers in London, Tina is urgently occupied when Shirley Humphry, the lodge-keeper's six-year-old daughter and her god-daughter, is taken mysteriously ill. Tina and Mrs. Humphry watch over Shirley until her unexplained death.

And then, in a cave on a hill above her home, Tina sees Shirley, motionless in the air. And so do many other people, with the exceptions of a few determined sceptics. The subsequent events are described with economy, drama and comedy, and an awful sense of inevitability.

Since his life is to be upset anyway, Francis, who refuses to see the apparition, decides to make money and eventually an industry out of it. The Bishop (who almost certainly did see something) denies it vociferously: "Every allowance for divinity is in order," but not here, not now. An internationally famous sceptical psychologist comes to disprove.

One effect of all this is, paradoxically, to increase our willingness to believe: bishop and scientist are so prejudiced, so jargon-filled, and the early believers seem simple, innocent, unhysterical. As the action moves through an orgy of media-provoked mass-excitement to a horrendous climax, the reader is puzzled, teased and confused.

David Pryce-Jones is concerned to pose questions, not to answer them. Even simple plot events remain unclear at the end, but more importantly the questions of miracle or schizophrenia, inexplicable happenings or illness, begin to pose general questions about the complacent rationality of our time — and on the other hand about the credulousness and excitability of the mob. Superbly written, it is an effectively disturbing book.

Rose Tremain's *Letter To Sister Benedicta* is also finely written, also questioning some of the bases of faith. The letter-writer is Ruby Constad, a fat middle-aged lady in deep trouble, for her husband has had a severe stroke and is paralysed, and her grown up children are far away.

Faintly and tremulously, Ruby turns back to her childhood in India, to the tiny, comforting mental picture of the idol of her convent schooldays, Sister Benedicta. She writes her letter as a kind of diary, moving back and forth on different levels of time. She remembers childhood, and the horrors of being fat, and the funny ways of the English in India.

She also records the events of the present, her painful visits to her husband, who may or may not know her, who occasionally scribbles strange or grotesque messages on a pad. She goes back to lighting candles for Leon in Brompton Oratory, and asks Sister Benedicta to pray for him.

Gradually and patiently we also uncover another area, concerning the children. The dramatic content of this is dense and shocking, but unparaphraseable: it is the context that shapes and defines Ruby's coming to grips with various unpleasant faces of reality.

I didn't want to read this novel: the subject matter seemed grey and depressing. But very soon I found it compulsive reading, the disentangling with Ruby of the levels of experience and memory quite absorbing, the disconcerting clarity—and sometimes comedy—of Ruby's insights riveting.

Rumer Godden's *Five For Sorrow, Ten For Joy* is a novel of the religious life, a subject-setting that has inspired some of her most successful novels, like *Black Narcissus* and *In This House of Brede*. Here a specialised order of French nuns, the Sisters of Béthanie not only make it their vocation to work among the lost, the criminal, the drug-addicts; they also welcome into the Order any of the women they have helped who shows a vocation, and once in the convent the Sisters are equal and anonymous.

Lise, the central figure here, was an English girl stranded in Paris during the war: later she became a prostitute, a Madame, a killer, a nun. There are many other vivid characters, such as the pathetic Sister Lucie, whose hero-worship of Lise the nun ashamedly finds very irritating, and the apparently incurably corrupt Vivi, who meditates and achieves murder and revenge.

By no means all set within the convent walls, this is a very readable and dramatic story of manipulation, violence, double-dealing and redemption.

Reported Missing by Lilian Barnea is a very emotional novel set in Israel during the Yom Kippur war. Shalva, the Israeli wife of a successful American scientist, returns to Israel for Mark's sabbatical year, with the children. She has a passionate affair with a handsome Israeli. The novel is hectic and frenzied because it follows Shalva's emotions, opening after Amos has been called up to the war, continuing through his going missing on the Golan Heights.


Rumer Godden: nuns' story

While the picture of Israel and the war, incidentally portrayed, is believable, and the heroine's emotions are certainly convincing also, the novel is perhaps too much on the one note to be altogether successful.

Patterns of living BY RACHEL BILLINGTON

You May Well Ask: A Memoir 1920-40 by Naomi Mitchison. Gollancz, £6.50, 240 pages

I have always been grateful to Naomi Mitchison since at the age of about 15 I discovered her novel *The Corn King and The Spring Queen*. Here in a large nine-part work (first published in 1931) was all the romance and sexual excitement sadly lacking from the reading considered suitable for a teenager in the late 1950s. Nor did it need to be disguised shamefacedly as in women's magazines or Ethel M. Dell. Its tremendous imaginative vitality never blurred an intelligent analysis of character, rich precise descriptions and complicated movements of structure and plot. Stimulated to pick it up again by Naomi Mitchison's latest volume of memoirs, *You May Well Ask*, I was delighted to discover that despite my thinning blood, the lure of its Greeks and Barbarians was as strong as ever.

The memoirs are to me, therefore, primarily the memoirs of a writer—as I am sure they are to Naomi Mitchison. Yet the chapter entitled "Why Write?" is probably the shortest in the book. This is not because it contains little of interest. "A note on the Literary Decencies" tells the fascinating history of how her only modern novel *We Have Been Warned* caused a break with her then publishers, Jonathan Cape. They wished to delete references to such things as "rubber goods," buttons on men's trouser-fronts and phrases like "breasts and bellies and legs." "Soft breasts" were apparently acceptable. In the end Naomi Mitchison reached the conclusion that overt sex was "alright when people wear wolfskins and togas"—and presumably she had no more trouble from Mrs. Grundy.

Although "Why Write?" is discussed briefly (and the question left gracefully unanswered) many writers, in conversation and correspondence, figure in the book, including E. M. Forster, Aldous Huxley and the young W. H. Auden. Naomi Mitchison acted as patron to the latter, finding him a job and recommending his writing to friends in the literary world. However, this didn't stop him biting sharply when she sent him her poetry for comment. "The poem is bad, I think, but it doesn't matter. You were feeling very lyrical, I imagine." He was more polite about *The Corn King* which he liked "very much indeed" though even then he couldn't resist calling it "The Prawn King and the String Queen" and wishing she "would do a contemporary setting sometime."

The reason that despite these two chapters, *You May Well Ask* covers areas far beyond the usual memories of a writer is on account of both the author's temperament and her sex. Though it might be more correct to put them in reverse order. One couldn't imagine such a book being written by a male writer. The first third is devoted to retailing the patterns of her daily life. The attention to small details makes one appreciate why Mrs. Mitchison later made such a good catch for Tom Harrisson's Mass Observation.

Moreover in her case the pattern of her existence was an extremely complicated one. Writer she may be essentially, but she was also wife to a QC; mother of five children, active in socialist politics, traveller, adventurer and lover. Those who believe the "open marriage" was invented by American psychiatrists in the 1960s should try her chapter on "Patterns of Loving." Those who agonise over the problems of being socialist and well-heeled might take comfort from the list of servants she accepted without guilt as being necessary to run a large household where both partners wanted to work.

The book ends with the opening of World War II. The scene shifts to Scotland where presumably it will continue with another volume.

Ape and essence BY KATE MORRISON

The Wandering Gorillas by Alan Goodall. Collins, £6.50. 244 pages

Viewers of David Attenborough's television series about Life on Earth may wish to pursue the mountainous trail of Alan Goodall's *Wandering Gorillas*. It was while he was taking a degree in zoology at Liverpool University that he became captivated by the subject of animal behaviour and it was this fascination that led him to the Virunga volcanoes of Rwanda, east of Zaire, to study gorilla family groups.

Research into the daily habits of gorillas is a painstaking, exhausting business involving nervewracking expeditions into the surrounding mountain forests. A great deal of detective work is necessary to locate these elusive creatures and having found them the best and safest way of observing them going about their daily round is to pose as another friendly feeding herbivor. If the leading male of the group feels that the intruder is threatening his territory, this will precipitate a charge which is often accompanied by a deafening roar. However, Alan Goodall maintains that it is mostly "bluff" and that at heart they are peaceful animals who seldom attack.

The fact that he has survived to write this survey which contains descriptions of amusing, domestic family scenes, seems to prove his point. He is concerned that the tranquil, over-canopied forest of Rwanda, Zaire and Uganda should survive too, and continue to harbour these rare mountain gorillas and other forms of wildlife which are at the risk of cultivation and poachers.

Bank man's plight

BY ELIZABETH FORBES

Make Death Love Me by Ruth Rendell. Hutchinson, £4.95. 216 pages

It's dangerous for a bank manager, even the manager of a country branch as small as the Anglian-Victoria sub-branch at Childon in Suffolk, to gloat over the contents of the bank's safe. Alan Groombridge doesn't mean to steal any money, but a robbery by two exceptionally incompetent young thieves forces his hand. Ruth Rendell uses her immaculate talent for describing the appearance of her characters, their background and behavioural patterns, to animate their actions convincingly.

Joyce, 20-year-old cashier with very long legs and a very large bust, who talks in clichés, naturally reacts in quite a different fashion from Alan, arch-fantasist who reads poetry and is appalled to meet his fantasy-girl face to face in a Notting Hill antique shop. The book is a cautionary tale for those unable to distinguish between dreams and reality: it is also a fine novel of suspense, a touching love story, an eloquent anti-crime manifesto, a parable for the times and a profound character study.

Car memories

The Motor Car 1946-56 by Michael Sedgwick. Batsford, £15.00. 264 pages.

With the latest oil crisis upon us it is interesting to remember the bubble cars with their miserly petrol consumption. Many of them were short-lived, but it was perhaps a sign of things to come that two of the best remembered in this country bore the names Heinkel and Messerschmitt.

By the end of the period covered by this book German car production, thanks in no small measure to the Beetle, had climbed to second place after the U.S. and left Britain behind.

This is a mine of motor memories. You may find only a short mention of your favourite car of the period, but this is not surprising when you consider the number of manufacturers that existed.

Each car-producing country has a chapter, with a readable rundown on the cars produced and their fate. Trial and error seemed to be the order of the day with many manufacturers and the result was a number of casualties.

BRIAN AGER

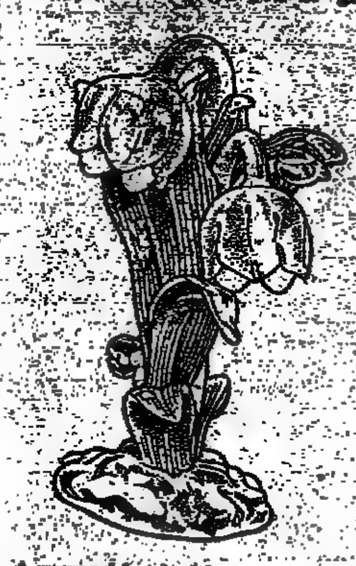
HOW TO SPEND IT
by Lucia van der Post

Something special in the sales

Harvey Nichols of Knightsbridge has one of the most unusual china departments that I know of. If you're just looking for rows and rows of standard floral plates, then it is not the place to go. If, however, you are looking for china that is different, that is either ravishingly pretty or very witty, then I urge you to go and have a look. It so happens that their sale starts today so for the next fortnight much of this enchanting china will be available at greatly reduced prices.

The Casa Fina department, in particular, is the one to aim for—here whimsical pottery from Italy is side by side with some of the prettiest morning tea-sets or dessert plates that I've seen.

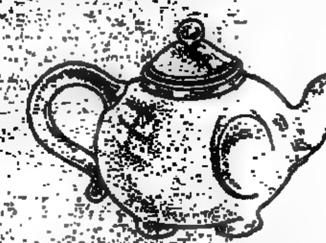
There's also some totally charming animal pottery from Japan, like the duck mugs and the elephant tea-pot sketched below. Though the prices are not expensive when you take into account the originality and exclusivity none the less it may normally cost more than most people could afford. So indulge yourself now if it is the sort of thing you like.



A very whimsical but very pretty white ceramic tulip light. It comes simply as a ceramic piece and is highly decorative on its own but it is meant to be used as a light, in which case you will need an electrician to wire it up. It is about 16 inches high and is reduced in the sale from £54.00 to £43.00.

More animal whimsy from the Japanese company of Fitz and Floyd—a lovely series of biscuit coloured mugs in the form of ducks ("animal quackers" they call them). They are normally £4.25 each and are reduced to £3.40 in the sale.

A convenient way to pass the jams around the table—three small white pots, each with its own very pretty, decorated top to help identification, sit on the same small ceramic tray. The set is down from £16.50 to £12.50.



The Casa Fina department has a good selection of decorative teapots but I'm particularly fond of this elephant one by a Japanese firm called Fitz and Floyd. It's quite small, ideal for early morning tea for one; it is normally £15.55 but in the sale will be £12.45.

A charming white pottery jug decorated with a bright yellow and black bee. It is small, only just over 4 inches tall, but would be ideal for cream or milk. It is reduced in the sale from £10.20 to £6.70.

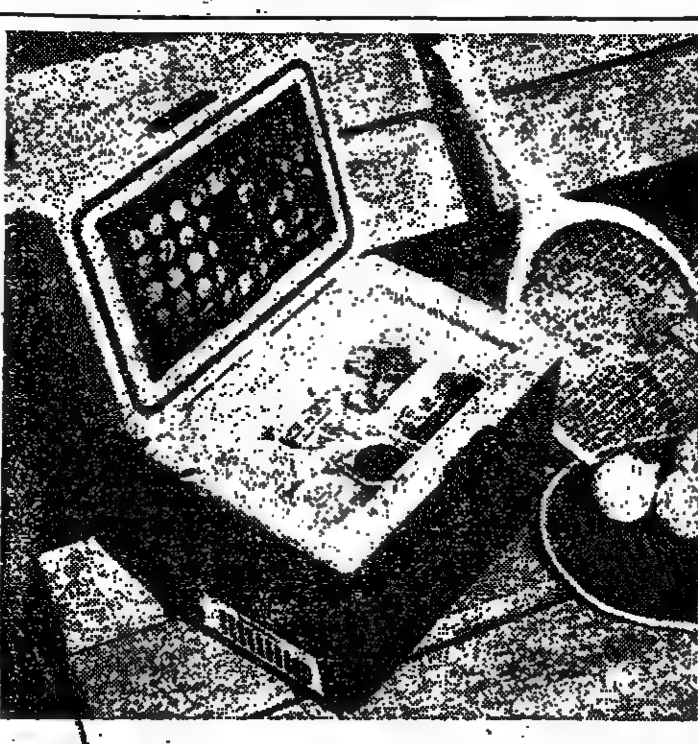
Drawings by Frank Wheeler

Pop out a cube

ICE-TRAYS are a problem in our house—or were until we tried out the Treasure Ware tray, photographed above. I don't like the aluminium trays as you have to loosen all the cubes at once and then wait for the next lot to freeze before you have any more ice cubes. Several plastic trays we have tried are too brittle and crack and have to be thrown out. The Treasure Ware tray is made of heavy rubber which so far seems indestructible. Each cube's partition is independent so you can, if you like, freeze left-over sauce in some cubes, orange juice in another part and something else in yet a third part. If you flex the tray the cubes really do pop out individually and at £2.40 it seems a good buy. It is available now from department stores, kitchen and hardware shops, in particular John Lewis.

Pep up a plant

SOME PLANTS like water not just on their roots but on the leaves as well. Certainly, most house-plants look better and are more likely to flourish if their leaves are kept clean. This little brass plant mister is ideal for spraying plants with water or pest-killers. £2.80 from Cucina, of 4, Ladbroke Grove, London W11, and 8, Englands Lane, NW3 (60p p+p).



Blowing hot and cold

ELECTROLUX has produced a totally new and immensely useful aid to better picnics. As you can see from the photograph above it looks rather like a conventional food container but it is infinitely more than that. It acts like an insulated container in the normal way but in addition when it is plugged into the car's cigarette lighter socket it can be used either to heat food up or cool it down.

If you set out on a sunny day with iced soup, cold chicken salad and so on you can pack it in the box, keep it cool and enjoy it when you reach the picnic spot. However, if the weather changes and you decide some hot soup would be just the thing, you can then remove the sandwiches and salad and use the container to heat up the soup. It works equally well in reverse—you can use it to cool down warm food or warm beer by just turning the plug in a different direction.

The box won't heat sufficiently to be able to cook in it (it heats up to about 65 deg. C and it cools down to approximately 3 deg. C). It weighs nearly 8 lbs when it is empty and there's a tray which fits into the top which means you can pack various items separately.

There is a handle for carrying the box and when that is folded flat the box measures just over 12 in in height, just over 13 in in width and it is about 10 in deep. It is so new that it is going into good camping and caravanning stores this week. Find it at Times Caravans, The Rushes, Loughborough, Leics.; Mantels Caravans, Marsh Road, Luton; DIY Motor Caravan Centre, 230 High Street, Harlesden, London, NW10; Caravan Shop, 364 Great Western Road, Glasgow; Bristol Street Motors, The Hyde, Edgware Road, Hendon, London, NW9. It sells for about £86.00.

Dinner for two

BY JULIE HAMILTON

IF THE way to a man's heart is through his stomach, then the way to assess his character is by what he chooses to eat. Next time you and your partner decide to celebrate with a dinner for two, it might be fun to cook a meal specially designed to complement his character. So this week I offer suggestions for four different menus, each created to please a different sort of man. Either choose the menu to fit the man, or find a man to fit the menu.

SAUCES 'N' SPICE

This menu is for the man who enjoys delicate flavours, who says rare steak is barbarian, who prefers his meat with exciting sauces. He probably has a restless and squeamish nature, is a little unrealistic and secretive, but never boring.

Prawn and avocado salad
★
Chicken paprikash
★
Hungarian cucumber salad
★
Orange cream caramel

CHICKEN PAPRIKASH

½ chicken; 1 large onion; 2oz lard; 1 dessertspoon sweet paprika; 1 green pepper; 1 small tomato; 1 teaspoon salt; 1 teaspoon flour; 5oz soured cream

Heat the lard in a thick-bottomed saucepan. Finely chop the onions and cook them in the lard until golden yellow. Take off the heat and add the paprika, salt and chicken, which you have cut into four pieces. Stir well and return to a gentle heat, cover and allow to simmer. After about 10 minutes add a tablespoon of cold water; if it looks dry, add another tablespoon 10 minutes later.

When the chicken has gently simmered for half an hour, cut the pepper into four, peel and slice the tomato and add both to the chicken. Cook gently until the chicken is tender, stirring from time to time.

Remove the pepper and discard it. Sprinkle the chicken with flour, stir and add the sour cream. Cook slowly for a further 10 minutes. Serve with noodles or rice surrounding the chicken.

ORANGE CREAM CARAMEL

2 small eggs plus 2 small egg yolks; 1 tablespoon caster sugar; ¼ pint pure orange juice; the rind of ½ orange; pinch of nutmeg. For the caramel: 2½oz caster sugar

Warm two moulds and line with caramel made by putting two dessertspoons of water with the caster sugar in a small saucepan over a gentle heat. Stir until sugar is dissolved, put on a fierce heat and boil briskly without stirring until the caramel is golden brown. Pour into moulds. Heat the oven to 350F (gas mark 4).

Finely grate the orange rind and soak it in the orange juice for 20 minutes or so. Combine the eggs, extra yolks and sugar and whisk until thick and creamy. Heat the orange juice to boiling point and strain it into the egg mixture, stirring briskly. Pour into the moulds and put them in a pan one third filled with hot water; cover the moulds with butter paper and bake in preheated oven for 30 minutes or until the creams are firm. Leave to cool, then chill for not less than two or three hours. Invert the moulds and serve with cream.

BE ADVENTUROUS

This menu is for the man who loves all foods, cooked in all possible ways (frequently by himself). He is creative and demanding, selfish, lovable and bound to be successful.

Platter of mixed salami
★
Transylvanian stuffed cabbage
★
Mango ice cream
★
Brie

TRANSYLVANIAN STUFFED CABBAGE

¼ lb minced shoulder of pork; two ¼ in thick slices of smoked back bacon; one small smoked sausage (approximately 4 oz); ½ lb sauerkraut; two whole white cabbage leaves; 1 oz lard; 1 oz boiled rice; 1 oz chopped onion; ½ teaspoon salt; four black peppercorns; ½ teaspoon sweet paprika; pinch of marjoram; ½ teaspoon chopped parsley; one small egg; ½ oz flour; 5 oz sour cream; ½ teaspoon caraway seed; four juniper berries; ½ teaspoon sugar.

Fry the chopped onion in ½ oz lard until golden yellow. Combine together in a bowl the mince, egg, rice, fried onion, a tablespoon of the cream and the parsley; season with a pinch of salt, black pepper and paprika.

Scald the cabbage leaves in boiling water for four minutes. When cold, pare down the thick stalk. Divide the stuffing and place in the centre of the cabbage leaves. To secure, roll up and fold in the two ends.

Melt the rest of the lard in a thick-bottomed pan. Thoroughly rinse the sauerkraut and place half of it in the pan, add the sugar, salt, peppercorns, paprika, caraway seed and juniper berries. Lay the stuffed cabbage leaves on top, place the bacon and sausage in the pan, add the rest of the sauerkraut and half a cup of water. Put on the lid and simmer for 1½ hours, carefully stirring from time to time. If it looks dry, add a little water.

When cooked, remove the bacon, sausage and stuffed cabbage and keep warm. Mix the flour with the sour cream, stir into the sauerkraut and cook for a further five minutes. Place the sauerkraut in a deep serving dish, put the stuffed cabbage on top of it, slice the sausage and arrange it with the bacon on top of the stuffed leaves. Serve with plain boiled potatoes if required but no accompanying vegetable is really necessary.

MANGO ICE CREAM

One small mango; 1 oz icing sugar; 3 oz double cream; 2 oz single cream; one squeeze lemon juice; one egg white; 1 oz toasted chopped hazel nuts.

Peel and stone the mango, put it in the liquidiser with the sugar and lemon juice (if you do *not* have a liquidiser push it through a fine sieve). Whip the two creams together until thick but not stiff, barely holding its form; if you overwhip, the ice cream will be butter-like in taste and texture. Combine the fruit purée and cream.

Whip the egg white until stiff and lightly fold it in. Place in a plastic box, cover and freeze as fast as possible. There is no need to stir. This can be done in the ice-making compartment of a fridge if turned up to maximum. Before serving, allow the ice cream to thaw a little, scoop out portions and sprinkle with hazel nuts.

PLAIN AND SIMPLE

Show me a man who likes his meat "honestly cooked and not mucked up with sauces," and I will show you a man who is steady, a little set in his ways but a gentle soul and basically unselfish.

Asparagus au beurre
★
Fillet of steak en croute, deep fried
★
New potatoes Cypriot style
★
Tomato salad
★
Fresh raspberries in sweet wine
★
Blue cheese

FILLET STEAK EN CROUTE

2 thick fillet steaks; 6oz puff pastry; 1 tablespoon brandy; 1oz butter; 1 dessertspoon lemon juice; salt and freshly ground black pepper.

Melt the butter in a frying pan, salt and pepper the steaks and just brown them on both sides. Add lemon and brandy and sizzle for a minute or two. Remove from heat and allow to cool. Halve and roll out the pastry, making two rectangles large enough to wrap the meat in. Place the steak in the centre of the pastry, carefully spoon the juices from the pan onto the meat.

Wet all four edges of the pastry and fold it up, pinching the edges together to seal completely. Chill for at least one hour. Deep fry, at the same temperature used for chips, until golden brown.

CYPRIOT POTATOES

Wash (but do not scrape or peel) enough new potatoes for two. Place them one at a time in a tea towel and bash them with a small heavy pan or a large hammer just hard enough for them to split but not break into bits. Put them in an oven-proof dish, sprinkle salt and a generous amount of coarsely crushed coriander seed over them. Pour over enough olive oil to coat the potatoes and amply cover the bottom of the dish. Cover the dish and bake in a hot oven (gas mark 8, 450F), shaking them about from time to time, for about 45 minutes, depending on the size of the potatoes.

FISH BUT NO FEATHERS

The man who prefers fish to all other foods, who would really rather not eat "feathers" but is quite happy to have a boiled egg and cheese for dinner is likely to be aggressive, though it may be *disguised*. He is immensely kind and makes a very considerate husband.

Aubergine Provencale
★
Crab soufflé
★
Fresh herbs and lettuce salad
★
Crème Brulée
★
Cheese

CRAB SOUFFLE

¾ lb crab meat, fresh or frozen; 1 tablespoon flour; 1 tablespoon butter; scant ½ pint hot milk; 3 egg yolks; 4 egg whites; 2 teaspoons dill weed; 1 teaspoon white wine vinegar; juice of ½ small lemon.

Melt the butter and add the flour (use a double boiler to ensure no lumps), stir to a smooth paste, gradually add the hot milk and stir and cook until you have a thick sauce. Separate the eggs. Make sure the crab meat is free of any bits of shell and is fairly crumbly.

Mix the lemon, vinegar and dill into the white sauce, stir and remove from heat. Add the egg yolks one at a time and stir, alternating with spoonfuls of the crab meat. Finally whip the egg whites until stiff but not too dry and fold them in. Tip the mixture into a buttered soufflé dish and cook in a preheated oven (gas mark 3, 350F) for approximately 25 minutes.

CREME BRULEE

3 egg yolks; 1 oz caster sugar; ½ pint double cream; 2 dessertspoons caster sugar (for the brulée topping).

Lightly beat the egg yolks with the sugar. Bring the cream to boiling point and slowly pour it into the eggs, stirring well. Strain into a double boiler; it is important that the water over which you place the cream and egg custard is only simmering. Stir continuously until the custard is thick but mobile, not firm. Pour into two ramekins and chill thoroughly.

When chilled, heat the grill, cover the custard with an even layer of caster sugar about one tenth of an inch thick, place the ramekins in a suitable tray or tin and pack ice around each ramekin. Place under the grill, watching all the time. When the sugar has melted and turned golden brown, remove at once. It is now ready to serve.

Nature cure

IF YOUR strong principles on organic gardening desert you in favour of the most noxious but handy chemical spray when confronted with greenfly massing solidly along the stems of your rose bushes, stay your hand in time to get a bottle of Bio "Back To Nature" Insect Spray. Its natural ingredients are extracted from tropical plants and include Quassia; older gardeners may remember laboriously distilling it from the chips of the tree and getting a noisome smelling liquid which made you think you would rather suffer the greenfly. As well as killing greenfly, blackfly and caterpillars (preferable to picking each one off by hand) it controls flea beetles, thrips and raspberry beetle grubs and keeps infestations of red spider mites in check. (Dr. David Hessayon, who writes the "Be Your Own" gardening books, never makes extravagant claims for Pan Britannica Industries' products. Where he honestly feels he cannot "kill 'em all" he says "keeps in check.")

A companion product in the "Back To Nature" range is the plant food made entirely from organics plus natural minerals.

When Bio "Recycler" was first put on the market some gardeners doubted that it would work. Well, it does and turns grass cuttings into manageable odourless organic manure.

Most garden centres, large stores and Woolworths, stock the "Back to Nature" range. At about 83p for the plant food and 42p the insect spray (which works out at just over 2p a pint) you can keep your plants clean and well fed for the coming season. Prices are for the smallest sizes.

Douglas Collins, Pan Britannica Industries, Waltham Cross, Herts, telephone Waltham Cross 23691 (you may have met him at the Chelsea Flower Show) can give further information on their products. The "Be Your Own" gardening books at 40p each are full of really easy to follow instructions particularly helpful to those who know absolutely nothing about gardening.

AGNES KINNERSLEY

ARTS

Remembering Rodgers

Last week in some reflections on the programme-content of Radio 3 I mentioned the Ulster poet W. R. Rodgers as being one of a cadre of creative people whose work used to enliven the Third Programme. It fell to Rodgers to invent the spoken mosaic as a means of radio portraiture. This is the technique which is now standard practice. The writer of the portrait records yards and yards of tape from surviving friends and enemies of his subject and then back in the studio with due regard for time, sound quality and the laws of defamation, chops it up and sticks it together to form a living whole full (he hopes) of startling contrasts. Before Rodgers fashioned his series of Irish portraits, notably of Yeats, Joyce and Synge, containing a rich crop f such recollections, harvested in the bars of O'Connell Street, all programmes of this kind were invariably wholly scripted. On Sunday evening in a radio portrait of Rodgers himself, *Tether that Held Me to the Hare* (Radio 4 UK) by John Miller we heard the producer of those pioneer Irish programmes, Maurice Browne recall the sense of outrage with which the radio critics of the early 1950s reviewed them. Having listened subsequently to dozens of such programmes, and even tried to compile one or two myself, I can affirm what a resourceful method it is. The main drawbacks lie in getting really accurate, non-waffly material onto the tape, and if you have a lot of speakers which you usually need to give variety to the portait, identifying them for the listener without holding things up.

RADIO

ANTHONY CURTIS

Somehow Rodgers with his poet's eye and a generous allotment of time solved these problems in one go and established the form. But Mr. Browne spoke wryly of the agonies behind the scenes, of work interrupted by the poet's drinking bouts among his Dublin cronies, of his sublime incompetence with the recording equipment, and of the occasion when he had to be looked up in a studio and only freed on production of a script. I remember Rodgers, big-boned and hardy-handsome, gliding through the corridors of the old Features Department of which he was a staff member.

He never said anything especially memorable in my presence but the innate courtesy of his manner and the beauty of his voice mentioned by contributors to this programme, do vividly remain with me. His poetic output was relatively small, totalling less than 100 poems and though he learned much from Manley Hopkins he had his own eloquent directness. Recordings of him reading do survive one of which was used in the programme. Otherwise his poems were spoken here by Denys Hawthorne with real understanding. His most famous poem "The Net" ("Quick, woman, in your net Catch the silver I fling!") proved invulnerable to time and much anthologising. It was inspired by the wife of his boss in the Features Department with whom Rodgers was staying after he had left County Armagh where he had been a minister of the Presbyterian Church. He had come to London to work for the BBC at the suggestion of Louis Macneice. Rodgers eventually married her but at the same time he felt obliged to resign from the staff although no pressure was applied to him to do so. He then became a free-lance and worked at home which proved fatal. He did some remarkable travel programmes for radio but the verse dwindled to a trickle. Before he died he had a brief American success on the campus circuit of California in the late 1960s. He organised an Irish exhibition there which Conor Cruise O'Brien and other visiting luminaries attended and his own readings aroused a great deal of what Benedict Kieley called "good-mannered, suppressed enthusiasm." His American future seemed assured but shortly after that he died of cancer in hospital in Los Angeles in February, 1969. This programme, directed by Moore Wasson from Northern Ireland, was a lively tribute which Rodgers surely would have commended for its candour and lack of humbug.

Among regular radio listeners, jazz fans represent an active and erudite minority. They are constantly putting pen to paper requesting the playing of almost unobtainable, long since out-of-print discs which Peter Clayton in his cheerfully conducted *Jazz Record Requests* (Radio 3) on Saturday afternoon manages to obtain for them. This week we have had the splendid bonus on radio of a repeat of Francis Smith's three programmes on the short life of boogie-woogie, *Stomp it on Down* (Radio 3).

The Onk Theatre Overall from Amsterdam

Taking to the Hamburg streets

The third International Street Theatre Festival, the only one of its kind in Europe, was held as usual in Hamburg last weekend. It is always a hectically explosive occasion, in atmosphere at least. Suddenly the sedate city parade, the Jungfernsteig that runs alongside the inner lake of the Alster, is transformed by bunting, beer stalls, huge wagons dispensing hot pea soup, and crowds in holiday mood.

The weather was quite clement for Hamburg, although a glance at late night television in the hotel excited envy of the Wimbledon sunshine. Nothing deters the artists, however, not even those sudden squalls of icy rain that Hamburg flesh is heir to. There were over 30 troupes this year, many of them from Germany and Holland (the Dutch Embassy had participated generously in exchange for heavy advertising facilities in the shape of cheese and clog stalls) and one or two from England.

England's chief representative and, for many people, the outstanding group once again of the festival, was the Natural Theatre of Bath, who spurn the comparative comfort of the improvised stages for the real *business of theatre in the* streets. Natural Theatre have been going for nine years now and have perfected the difficult art of attracting a non-paying audience, retaining their interest and mobilising the people they gather. This year the actors were popping up all over the place as undercover agents in dark glasses and grey suits, communicating with each other in whispers behind newspapers, inspecting the *crêpes* stalls and garbage cans for who knows what and, all the time, playing strictly within character and a planned scenario.

When you see how badly some groups play in the street, the work of the Natural Theatre appears all that more impressive. They spread joy and delight wherever they go. At one stage they disappeared within the hallowed precincts of the Four Seasons Hotel. Hours later, crowds on the opposite pavement were still cheering mystified guests as they came and went, but the Natural Theatre had long since disappeared.

This festival, or *Alstervergnügen* as it is known, has sparked off a taste for street theatre in Hamburg, to such an extent that the city was represented by at least eight new groups. None of them very good, mind, but eight nonetheless. The Dutch groups, Dogtroep and Idaho, were again very successful with their strange processional activity and driving jazz music. Idaho, especially, produce a marvellous, primitive sound on saxophones, percussion, drums, bagpipes and bells.

The best new group this year was also from Holland: the Onk Theatre Overall, featuring that evergreen mime Will Spoor. Performed on the main stage by the Alster, their show had a strong but simple narrative thread in which an intense pseudo-scientific twit is attempting to place a small ball in a cupboard. The ball and the cupboard are to perfect a new method of time-keeping, but strange wooden models and bizarre characters delay the triumph for 50 very entertaining minutes.

The jury, on which I serve, had the task of allocating the prize of DM 10,000 (about £2,500) donated by the Vereins-Und Westbank, and decided to split it between only two troupes: the Onk Theatre for their impact as the best new group on view (DM 6,000); and Wunderwurm of Hamburg (DM 4,000) who have persisted for three years and show real promise for the future. Over 500,000 people are estimated to have passed through the festival and the jury expressed the hope that more new groups would be invited from elsewhere in Europe next year.

MICHAEL COVENEY

The Silent Woman

The Glyndebourne revival of Richard Strauss's comedy, *Die Schweigsame Frau*, discussed here by Ronald Crichton last months, is now conducted by Stephen Barlow. At 25, he must be well in the running for the title of *Glyndebourne's* youngest conductor, and even with Andrew Davis's fine preparation of the score to build upon, he had a delicate and exacting task. The innocent complications of the music are considerable, the hazards of the dramatic timing greater still: Mr. Barlow steered his way with confidence and verve. Some weakness of rapport with the juvenile lead, Jerome Pruett, may have resulted from the latter's inaudibility — he seemed to be husbanding his voice, and often sounded as if he were singing from backstage.

The otherwise *sturdy* cast remains as before. Like Mr. Pruett, the immensely promising Krisztina Laki is too gentle a soul to carry conviction in the mildly sadistic fooling of the later acts; her mock-termagant would alarm nobody, and the very fact that her top notes —unlike those of most Amintas — have no steam-whistle in them is an amiable disability. The Isotta and Carlotta of Kate Flowers and Enid Hartle cut sharper theatrical figures, of great help with the protracted charades. Marius Rintzler Morosus carries the opera by intelligence and stylish singing, though the sterling simplicity with which Strauss invested the old captain sits oddly on his natural persona — Oscar Levantine with a touch of Rumpole. I admired his La Roche in *Capriccio* unreservedly; more conscious artifice has had to go into his Morosus, with some loss in sheer bottom.

Whether John Cox's bustling production might have kept the farce within more naturalistic limits with an English text one can't say, but the decision to do *Die Schweigsame Frau* in German still seems wildly perverse. Translation would set no musical problems, and there is much spoken dialogue: all the characters (and most of the audience) are English, and none of the cast is German. An entertaining evening with an opera that needs every theatrical advantage might have been a richly amusing and sympathetic one—and the risk of flagging, with two acts to go after the dinner interval, might have been averted by allowing the audience to follow more closely what was going on.

DAVID MURRAY

SPNM concert

The St. Bart's 20th-century Festival is playing host this week to a number of promoting organisations: there's a Redcliffe Concert, a New Macnaghten Concert, and on Wednesday night it was the turn of the Society for the Promotion of New Music to offer a programme. It juxtaposed three works for strings (the Arditti Quartet) with three for wind (the Double Red Ensemble): wind won.

The most interesting of the string pieces was Berio's Sequenza VIII for violin, the British premiere of the latest *in this line of* virtuoso solo pieces (though the Universal Edition advert in the programme listed a ninth, for percussion; and IRCAM is to premiere IXb next April). At a first hearing, the piece seemed to be arguing about backgrounds and foregrounds: the insistent staccato notes of the opening are gradually clouded with wisps of figuration, and one continues to hear the single notes. But later, after a section which treats a minor-mode fragment with echoes of Bachian technique (here a bit of counterpoint, there a dominant seventh), the violin takes up a scurrying scherzo. The insistent notes return to interrupt—but one is still listening to the rapid patter; front and back have changed places. The argument dissolves into a muted melody, a couple of eloquent, chorale-like phrases, and the piece is over. Irvine Arditti played it superbly.

Helen Longworth's String Quartet, receiving its first performance, was a 20-minute piece of cogent, well-wrought argument behind which it was difficult to discern a compelling sense of purpose; Milko Kelemen's *Splintery* of 1977 was an aggressive and unlikeable exercise — about as much fun as chopping wood, and harder work.

The full *Double Reed* Ensemble appeared only in Jonty Harrison's *Lunga*, a vast, eerie landscape of low, winding cor anglais, oboes screeching high in the trees, and dinosaur bassoons trundling heavily over the ground.

NICHOLAS KENYON

TV/Radio

† Indicates programme in black and white

BBC 1

7.15-8.30 am Open University (Ultra high frequency only). 9.00 Mister Men. 9.15 Boss Cat. 9.40 *Tabitha.* 10.05 Play Sport. †10.30 Zorro. 11.15 Tom and Jerry. 11.22 Weather. 11.25 Cricket: First Test: England v India.

1.30 pm Grandstand: Motocross (1.35) 500cc World Championship; Tennis (2.00, 3.30, 4.35) The Davis Cup: Great Britain v Spain: Cricket: First Test (2.00, 3.30) England v India; Motor Racing (2.45, 3.30, 4.20) Ninth round of the Formula One World Championship: Athletics (4.10, 4.35) The Nationwide Building Society AAA Championships; 5.00 Final Score.

5.10 News.
5.20 Sports/Regional News.
5.25 The Hardy Boys and Nancy Drew *Mysteries.*
6.15 Juke Box Jury.
6.45 Saturday Night at the Movies: "The Command," starring Guy Madison.
8.15 Seaside Special.
9.05 Sword of Justice.
9.55 News.
10.05 The Voyage of Charles Darwin.
11.05 Tennis: Davis Cup highlights.
11.45 The Quest.

All Regions as BBC-1 except at the following times:—

Scotland—12.35 am News and Weather for Scotland.

Wales—12.35 am News and Weather for Wales.

Northern Ireland—1.30-5.10 pm (Grandstand) Racing from Down Royal. 5.20-5.25 Sport/News for Northern Ireland. 12.35 am News and Weather for Northern Ireland.

BBC 2

7.40 am-2.45 pm Open University.
2.50 pm Saturday Cinema: "Hell and High Water," starring Richard Widmark.
4.30 Cricket: First Test.
6.35 Droopy (cartoon).
6.45 Grapevine.
7.15 News and Sport.
7.30 Musical Birthday Party for Harold Holt Ltd., recorded at the Royal Albert Hall in 1976.
9.00 Word for Word.
9.35 Grand Prix: The Marlboro British from Silverstone.
10.05 Cricket: First Test highlights.
†10.35 Masters of Terror: "Doctor X," starring Fay Wray.
11.50 News on 2.
11.55 Masters of Terror: "The Curse of Frankenstein," starring Peter Cushing and Christopher Lee.

LONDON

8.45 am Sesame Street. 9.45 The Fantastic Four. 10.00 Superman. 10.30 The Mersey Pirate. 12.30 pm World of Sport: 12.35 International Sports Special (part 1) Cycling plus Athletics, American Soccer, and Australian Pools Check; 1.15 News from ITN; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from York; 1.45, 2.15 and 2.45 from Ayr; 3.10 International Sports Special (part 2) Water-skiing; 4.00 Wrestling; 4.55 Results Service.

5.05 News from ITN.
5.15 Bonkers!
5.45 The Masterspy.
6.30 Steve Jones Game Show.
7.30 Chips.
8.30 Sale of the Century.
9.00 Police Woman.
10.00 News from ITN.
10.15 Hard Times.
11.15 M'Lords, Ladies and Gentlemen.
11.45 Celebrity Concert (Cleo Laine).
12.45 am Close: George Robertson reads from works in the Buddhist Tradition.

All IBA Regions as London except at the following times:—

ANGLIA

9.35 am Buying and Selling a House 10.00 Kum Kum 5.15 Cartoon Time 5.30 Bonkers! 6.00 Masterspy. 6.45 How the West Was Won. 9.00 The Sweeney. 11.45 Police Surgeon. 12.15 am At The End of The Day.

ATV

8.45 am A Question of Sex. 9.30 Buying and Selling a House. 10.00 Superman. 6.30 pm Sale of The Century. 7.00 Saturday Cinema: "Mister Jerico." 8.30 What's on Next? 9.00 Lou Grant. 11.45 Devine Country (Stella Parton).

BORDER

9.35 am Jabberjaw. 10.05 Bailey's Bird 5.15 pm Cartoon Time. 5.30 Bonkers! 6.00 The Masterspy. 6.45 How The West Was Won. 9.00 Fantasy Island. 11.15 Barney Miller. 11.45 M'Lords, Ladies and Gentlemen.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 5.18 Cartoontime. 5.30 Bonkers! 6.00 The Masterspy. 6.45 How The West Was Won. 9.00 Vegas. 11.15 The Horror Film: "Vault of Horror."

GRAMPIAN

9.00 am Cuir Car. 9.30 Sesame Street. 5.15 pm Cartoon Time. 5.30 Bonkers! 6.00 The Masterspy, followed by Area Weather Forecast. 6.45 How The West Was Won. 11.45 Reflections. 11.50 Barney Miller.

GRANADA

9.40 am Untamed World. 10.05 Happy Days. 5.15 pm Cartoon Time. 5.30 Bonkers! 6.00 The Masterspy. 6.45 How The West Was Won. 8.30 Sale of The Century. 9.00 Hawaii Five-O. †11.45 The Late Film: "The Haunted Palace," starring Vincent Price and Debra Paget.

HTV

9.05 am Parents Day. 9.30 Beachcombers. 9.55 Mr. Magoo. 10.05 Batman. 5.15 pm Popeye. 6.00 The Masterspy. 6.45 How The West Was Won. 9.00 S.W.A.T. 11.45 The Electric Theatre Show.

HTV CYMRU/WALES—As HTV General Service except: 5.30-6.00 pm Pwy Fasa'n Meddwl.

SCOTTISH

9.30 am Treasures in Store. 10.00 Cuir Car. 5.15 pm Dinah Saur. 5.30 Bonkers! 6.00 The Masterspy. 6.45 Sale of The Century. 7.15 How The West Was Won. 9.00 Twist in The Tale. 11.45 Late Call. 11.50 Police Surgeon.

SOUTHERN

9.00 am Sesame Street. 10.00 Bailey's Bird. 10.27 Regional Weather Forecast. 5.15 pm Cartoon Time. 5.30 Bonkers! 6.00 The Masterspy. 6.45 How The West Was Won. 9.00 The Sweeney. 11.45 Southern News. 11.50 Barney Miller.

TYNE TEES

9.05 am Saturday Shake-up. 9.10 Space 1999. 10.05 Saturday Shake-up. 10.20 Saturday Movie: "Tarzan and the Jungle Boy." 12.10 pm Saturday Shake-up. 5.15 Cartoon Time. 5.30 Bonkers! 6.00 Masterspy. 6.45 How The West Was Won. 9.00 Fantasy Island. 11.15 Police Story. 11.45 Epilogue.

ULSTER

5.15 pm Cartoon Time 5.30 Bonkers! 6.00 The Masterspy. 6.45 How The West Was Won. 9.00 Space 1999. 9.55 Sports Results. 11.40 Barney Miller.

WESTWARD

9.30 am Untamed World 9.55 Look And See 10.00 Rocket Robin Hood. 10.25 Gus Honeybun's Birthdays. 12.27 pm Westward News. 5.15 Westward News. 5.19 Cartoon Time. 5.30 Bonkers! 6.00 The Masterspy. 6.45 How The West Was Won. 9.00 Vegas. 11.15 The Horror Film: "Vault of Horror." 12.10 am Faith For Life. 12.15 West Country Weather and Shipping Forecast. 12.45 Faith for Life Talking Point.

YORKSHIRE

9.00 am Cartoon Time. 9.10 Spiderman. 9.30 Space 1999. 5.15 pm Cartoon Time. 5.30 Bonkers! 6.00 The Masterspy. 6.45 How The West Was Won. 9.00 Vegas. 11.15 What's on Next? 11.45 M'Lords, Ladies and Gentlemen. 12.15 am Electric Theatre Show.

RADIO 1

(S) Stereophonic broadcast
‡ Medium wave

5.00 am As Radio 2. 7.03 Playground. 8.00 Keith Chegwin. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock On (S). 5.30 It's Rock 'n' Roll (S). 6.31 In Concert (S). 7.30 Chris Jones. 10.00 Al Matthews with Discovatin'. 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Paddy O'Byrne (S). 8.06 David Jacobs (S). 10.02 Kevin Morrison (S). 12.02 pm Matt Monro with Star Choice (S). 1.02 The Impressionists. 1.30-6.00 Sport on 2: British Grand Prix; Cricket (1.30, 2.10, 3.30, 4.15, 5.10, 5.45) England v. India; Racing from York (1.30, 1.55, 2.25, 2.55) with classified check at 5.46; Davis Cup Tennis (1.30, 2.15, 4.00, 5.30) European Zone semi-final: Great Britain v. Spain; plus news in International Athletics, Rugby League, Cycling. 6.03 Pop Over Europe. 7.02 Three In A Row. 7.30 Sports Desk. 7.33 Radio 2 Top Tunes (S). 8.00 More Melodies For You Concert, part 1 (S). 8.45 Talk by Mike Sheila. 9.05 Concert, part 2. 10.02 Saturday Night With the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.05 Ray Moore with The Late Show (S), including 12.00 News. 2.00-5.00 am You And The Night And The Music with Bill Rennells (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 11.25 Cricket: First Test—England v. India, including 1.35 pm News. 1.40 Call the Commentators. 2.00 Lunchtime Scoreboard. 6.40 Haydn: A String Quartet (S). 7.00 "Mignon," Opera in three acts by Thomas on records, Act 1 (S). 8.20 Celia Fiennes. 8.40 "Mignon," Acts 2 and 3 (S), including 9.50 Interval Reading. 10.45 The Gardener, by Ruth Katz (reading). 11.00 Petrassi at 75 (S). 11.55-12.00 News.

VHF with Medium Wave, above except 6.00-8.00 and 11.25 am-6.40 pm as follows: 6.00-8.00 am Open University. 11.25 Bandstand (S). 11.55 Berlioz's le Deum (S). 1.00 pm News. 1.05 Beethoven and Schumann, piano recital (S). 2.10 St. Louis Symphony Orchestra. Concert, part 1: Rochberg (S). 2.50 Interval Reading. 2.55 Concert, part 2: Brahms. 3.40 Melos Ensemble of London (S). 5.00 Jazz Record Requests. 5.45-6.40 Critics' Forum.

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's A Bargain. 7.55 Weather, programme news. 8.00 News. 8.10 Sport on 4. 8.45 Yesterday in Parliament. 8.50 Continental Travel Information. 9.00 News. 9.05 International Assignment. 9.30 The Week in Westminster. 9.55 *News Stand.* 10.15 *Daily* Service. 10.30 Pick of The Week (S). 11.20 Time For Verse. 11.30 Wildlife answers listeners' questions. 11.55 Sounding Off with Tony Bilbow. 12.00 News. 12.02 pm Away From It All. 12.27 You've Got To Be Joking, says Cardew Robinson. 12.55 Weather, programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 Origins. 2.30 Saturday Afternoon Theatre. 3.25 My Delight with Gillian Reynolds. 3.30 Does He Take Sugar? 4.00 *The Magic of Music.* 4.45 A Sideways Look At . . . 5.00 Kaleidoscope Encore. 5.25 Week Ending. 5.50 Shipping forecast. 5.55 Weather, programme news. 6.00 News. 6.15 Desert Island Discs with C. Northcote Parkinson. 6.50 Stop The Week with Robert Robinson. 7.30 Baker's Dozen (S). 8.30 Saturday Night Theatre. 9.58 Weather. 10.00 News. 10.15 A Word in Edgeways. 11.00 Lighten Our Darkness. 11.15 Dear Me by Peter Ustinov. 11.45 Just Before Midnight. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News, weather, traffic, shopping, sports news. 8.15 The London Gardener. 8.30 London Country. 11.30 The Robbie Vincent Show. 2.00 pm Between The Covers. 2.30-5.00 am Join Radio 2.

TV RATINGS (w/e July 8)

UK TOP 20 (Viewers m)

1	Coronation St. (Mon) (Gran)	13.10
2	Coronation St. (Wed) (Gran)	12.70
3	In Loving Memory (Yorks)	12.15
4	Mallens (Gran)	11.95
5	Mr. Horn (Wed) (ITV) (not Southern)	11.80
5	Winner Takes All (Yorks)	11.80
7	News at Ten (Thur) (ITN)	11.70
8	You're Only Young Twice (Yorks)	11.65
9	Crossroads (Mon) (ATV)	11.30
10	Oh Boy (ATV)	11.20
11	Crossroads (Tue) (ATV)	11.05
12	Crossroads (Wed) (ATV)	11.00
13	They Call Me Mr. Tibbs (BBC)	10.80
14	Crossroads (Thur) (ATV)	10.75
15	The Lovers (Gran) (not Wales)	10.30
16	News at Ten (Tue) (ITN)	10.05
17	Celebrity Squares (ATV)	10.00
18	George and Mildred (Thames) (not Border)	9.80
19	News at Ten (Wed) (ITN)	9.75
20	Don't Just Sit There (Yorks)	9.70
20	Mr. Horn (Thur) (ITV) (not Southern)	9.70

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP 10 (Nielsen ratings)

1	Jeffersons (CBS)	22.6
2	Alice (CBS)	22.3
3	20/20 (ABC)	21.3
4	MASH (CBS)	21.0
5	Carter Country (ABC)	20.9
6	Mork and Mindy (ABC)	20.6
6	Angie (ABC)	20.6
8	Three's Company (ABC)	20.4
8	Barney Miller (ABC)	20.4
10	WKRP in Cincinnati (CBS)	20.0

CHESS SOLUTIONS

Solution to Position No. 276

1 . . . RxN; 2 PxR (2 RxR, Q-N8 ch and mate), Q-N8 ch; 3 K-N2, R-B4 and White resigned. If 4 Q-Q6, R-N4 ch; 5 K-R3, Q-B8 ch; 6 K-R4, N-N3 or B4 mate.

Solution to Problem No. 276

1 B-KR8, N-B3; 2 Q-N6, K-K4; 3 Q-K4 mate.

WEEKEND CHOICE

SATURDAY—*A great day for sports fans though nobody else.* The third day of the First Test runs all morning on BBC1 then from 4.30 on BBC2. At 3.10 ITV screens the British Water-Skiing Championships from Reading, and at 4.10 BBC1 shows the AAA Championships from Crystal Palace (will there be an Ovett shock sensation drama?). The best way to watch the British Motor Racing Grand Prix will presumably be BBC2's edited highlights at 9.35. BBC1 shows the *Britain/Spain* Davis Cup doubles at 11.05 pm.

SUNDAY. ITV's State of the Nation at noon was wonderfully entertaining to watch being telerecorded; it should make good television. From 1.55 BBC2 transmits five hours of Nottinghamshire playing Gloucestershire in the John Player League, and at 7.15 still on BBC2 Humphrey Burton introduces Munich's Der Rosenkavalier, with Gwyneth Jones and Brigitte Fassbaender. Soap at 11.10 on ITV in some areas.—C.D.

ARTS/COLLECTING

From St Ives to Orkney

Sometimes the by-products of oil can be beautiful, intriguing and worthy. That is certainly the case in Orkney today when the Pier Arts Centre is opened at Stromness. Situated at the end of a small pier overlooking the harbour this converted 18th century storeroom with adjacent house becomes the first art gallery on the islands. But it is much more than an opportunity for local artists to display their work: the centrepiece to the gallery, its reason for being, is a collection of almost 70 paintings of British art from around 1930 to 1960, concentrating on Ben Nicholson and Barbara Hepworth.

The works were acquired by Margaret Gardiner, a close friend of both artists and a patron of other painters of the St Ives school, now respected as one of the main-springs of 20th century art. Margaret Gardiner is not only an intimate of many of the leading artists of the past few decades she is also a lover of Orkney, where she has a house. Hence the decision to establish her accumulated treasures there. But to convert the idea into reality required cash, around £150,000 in all. And a great chunk of that cash has come from Dr. Armand Hammer whose Occidental Oil company runs the terminal on the Orkney island of Flotta. He gave £50,000.

It is money well spent, not only for sound commercial reasons in cementing relations between oil and the Orcadians (the terminal is remarkably unobtrusive and generally welcomed) but for its obvious artistic achievement. The Pier Gallery looks very fine and the paintings and sculpture seem completely at home there. A simple stone building, it has been converted by Kate Heron, whose father Patrick's work is among the most accessible on display inside, into two large rooms on the ground floor level and a succession of chambers in the upper gallery, forming light and airy cells with gaps to enable a longer perspective. At one end the sea is visible. All is white and sparkling and the human size of the accommodation is in perfect sympathy with the works, many of which are small.

The art of St Ives—and there are works by Terry Frost, Naum Gabo, Peter Lanyon, Roger Hilton and many more—is not immediately accessible and might be thought obtusely advanced for the practical people of Orkney. But immediately the resemblances between the tip of Cornwall at the very south west of the British Isles, and the tip of Orkney, at the furthest north east, strike the eye. The external scenery is similar, both with echoes of a neolithic past and the inescapability of the sea. The people have an affinity, seeing themselves as different and inward looking. Other paintings from another source might have upset Orcadian sensibilities; these works blend naturally into the community and although they might not all be liked at first viewing their suitability and sympathy are sure to win them a place in Orkney pride.

The Pier Gallery has probably the best gathering of St Ives school paintings outside the Tate, all collected when the artists were struggling and generally unrecognised. Margaret Gardiner showed flair and faith and her patronage aided the development of this movement, the pioneers of abstract art in Britain. The works on display show the pre-abstract art of Nicholson through to his painted reliefs and some of the most intimate of Hepworth's sculptures. But the art is made much more relevant by the situation. It was bought originally for Margaret Gardiner's Hampstead home and its new home is somehow domestic: small and welcoming and knowable.

Not the least of the attractions of the Pier is the opportunity to display Orkney artists who have a natural tendency to paint the scenery of their islands. There is also a comfortably furnished room where anyone can just relax. It costs nothing to go to the Gallery and with luck many of the 40,000 visitors to Orkney will pop in on their way around the bronze age burial mounds and the fishing for trout. The remarkable thing is how naturally it suits the place, both in scale and content. Just as Occidental has been careful to adapt to Orkney exclusivity so the Pier Gallery looks like a native development. With a respected literary past from Viking sagas to Erik Linklater, a current musical flourishing through Peter Maxwell Davies making it his home; to an exciting fine art future Orkney—plus oil—seems set to establish a dominance out of all proportion to its size as it once did in the Middle Ages when it exercised a more savage mastery over much of Scotland, Ireland and Man.

ANTONY THORNCROFT

Nijinsky's last battle

THE CELEBRATED diary compiled by the great dancer Vaslav Nijinsky just 60 years ago, as he was battling against the loss of sanity, is to make a public appearance in the salerooms. On July 24 Sotheby's will sell the three notebooks which contain the diary, on behalf of the Nijinsky Estate. The auctioneers expect a price between £50,000 and £100,000. The copyright, as a matter of interest, does not rest in the manuscript, but remains with the Estate; and *Variety* reported last week that Eric Glass, the literary agent, "is understood to be negotiating lucrative hard-cover terms."

The career which established Nijinsky as legend, the greatest dancer in history, was astonishingly brief. His gifts were recognised in the ballet world of St. Petersburg when he was still a child, but he did not officially graduate until 1908. International celebrity came in 1909 with the debut of Diaghilev's *Ballets Russes* at the Châtelet Theatre in Paris.

There were five miraculous seasons with Diaghilev. Then in 1913, when the company arrived in Buenos Aires, Nijinsky married a young dancer, Romola de Pulszky. Diaghilev, jealous and angry, cancelled his contract. Nijinsky was in his 24th year, and was, it seemed, from that moment doomed. An attempt to launch his own company at the Palace Theatre, London, was disastrous. In the early part of the First World War the Nijinskys found themselves trapped in Budapest, living with Romola's mother, the actress Emilia Márkus.

Desperately needing his name for his American debut, Diaghilev organised a passport, and enticed Nijinsky back for an American season in 1916-17. During succeeding appearances in Spain and South America Nijinsky's mental instability became apparent. Romola took him to a rented home in St. Moritz. At first he seemed comparatively stable, and busied himself with choreography and a system of dance notation; but by the spring of 1919 he had retreated into the mists of insanity from which he was never to re-emerge.

The diary was written in the last desperate months, the winter of 1918-19. The writing is fast, but neat and legible. There is hardly a correction or alteration, for clearly this was the uninterrupted stream of Nijinsky's consciousness. Romola published some two thirds of its 100,000 words in 1937. Understandably, however, much was suppressed at that time; the expurgated contents range from the merely intimate to the frankly scatological.

For Nijinsky the diary had been his only friend and confidant. "I am afraid that I will be taken to a lunatic asylum and that I shall lose all my work. I have hidden my notebooks behind a cupboard. I love my notebooks too much to lose them."

The reader is admitted into the dreadful solitude of madness. Nijinsky plots his little escapes into the town, confides his loves and his suspicions, his eagerness to please his doctor, Fränkel, his irritation with people who talk to him like a little child, to get him to eat the meat he has decided to avoid, partly on account of his health, partly from sympathy with the animals who provide it.

At times dementia takes over. "I know everything. I can do everything. I am a peasant. I am a factory worker. I am a saint. I am a gentleman. . . . I am God. I am God. I am God. I am everything. I am life." He is appalled by war and obsessed by world events and the pictures in the papers, by Wilson, Lloyd George, Clemenceau. Sometimes his attention is all focused on his friend the fountain pen. "I understand my fountain pen. I know its habits and therefore I can invent a better one." He is often preoccupied with his diet and digestion. Towards the end, schizophrenia becomes more apparent: "Your wife is suffering because of you. I do not want death and therefore resort to all sorts of tricks. . . . Let them think you are an egoist."

Other passages are entirely rational, vivid illuminations of the autobiography of an extraordinarily attractive, gentle, generous, instinctive and deeply sensitive man. The sexual passages suggest that throughout his life he was bothered less by guilt than the fear that indulgence would affect his dancing. They confirm Romola Nijinsky's assertions that he was not homosexual. As a youth he had accepted the protection of Prince Lvov, and genuinely returned the older man's love, so that he was bewildered and hurt when Lvov passed him on to Diaghilev, reassuring himself only that it was for his professional good.

By the time of the diary his relations with Diaghilev were poisoned; but his feelings seem always to have been equivocal, rather awe than actual affection. At all times his sexual fantasies seem to have been excited exclusively by girls.

His critical assessments of the people in his life are often shrewd. His distaste for his mother-in-law — a "wicked," "cold-hearted," "play-acting" woman — probably reflect the instinctive rivalry the ageing *grande dame* of the Hungarian National Theatre feared from her meteoric son-in-law. "I understand why a woman who was my wife's mother's maid shot at her . . . and why her first husband shot himself."

Diaghilev, with his badly dyed hair and false teeth, reminded him of a wicked old woman. He liked Karsarvina, his greatest partner, but suspected that her flirting brought on the apoplectic fit which killed Dr. Botkin, the former Russian royal physician. His wife, his "Romushka," "loves me but does not understand me."

His thoughts whirl as he drifts into the dark; and yet at the last, as he watches his little daughter Kyra, there is a gleam of optimism: "My little girl is singing 'Ah! Ah! Ah!' I do not understand the significance of this, but feel its meaning. She wants to say that everything—'Ah! Ah! Ah!' is not horror but joy. . . ."

BRIDGE

E. P. C. COTTER

THERE ARE few things more unnerving for a declarer than to find that one defender has as many or even more trumps than he has himself. Cruel trump breaks occurred in today's two hands, but in each case the declarer found the narrow way of salvation. Let us first study how the play went in this hand from a World Championship—I think you will find it most instructive:

N.
♠ A Q 10 9
♡ Q J 10 9
◇ K Q
♣ Q 8 4

W.
♠ K 7 5 4 2
♡ A K 4 3 2
◇ 7
♣ 9 6

E.
♠ —
♡ 8 7 6 5
◇ J 10 8 6 2
♣ A 10 3 2

S.
♠ J 8 6 3
♡ —
◇ A 9 5 4 3
♣ K J 7 5

With neither side vulnerable South dealt, and after two passes North bid a Precision one club, showing 16 plus high card points, South replied with two diamonds, and North rebid two no trumps. South now said three clubs, North stolidly replied three no trumps, and South's four spades concluded the auction.

Ruffing West's heart King, South ran his trump Knave, and winced when East discarded a heart. However, he led a spade and finessed dummy's ten, returning the four of clubs to his Knave. Now he took another spade finesse and cashed the Ace, leaving West with the one remaining trump. Then came the key play—he led the heart Queen from the table, throwing a diamond from hand. This was allowed to hold the trick.

South had taken the first seven tricks, but he could not lead another heart—that would allow West, while he still had a trump, to set up a trick in the suit and defeat the contract—but he made no mistake when he continued with the diamond King. He then switched to the club eight, taken by the Ace, and East's diamond return was ruffed on his left. West could now cash his Ace of hearts, but that was the third and final trick for the defence.

The next example is again from a team match at championship level:

N.
♠ A K 2
♡ —
◇ Q 10 8 5 4 3
♣ Q J 6 2

W.
♠ —
♡ A Q 10 8 7 2
◇ J 7
♣ K 10 9 8 3

E.
♠ Q 8 6 5 4
♡ 6 3
◇ A 9 6
♣ 7 5 4

S.
♠ J 10 9 7 3
♡ K J 9 5 4
◇ K 2
♣ A

North dealt at game to North-South and bid one diamond, South replied with one spade, West came in with two hearts, and North raised to two spades. This was sufficient encouragement for South to bid four spades. This was doubled by East, and confidently redoubled by South.

West led the Ace of hearts, which was ruffed with the spade two, and the diamond three was returned from the table. East took his Ace at once, and when he played a spade to the King, the declarer received the bad news of the 5—0 break.

He came to hand via the diamond King, cashed the club Ace, and crossed to the Ace of spades. After cashing the diamond Queen, he found the winning line when he returned the club Queen, on which he threw a heart.

West was endplayed. He led the club ten to dummy's Knave, and on this the declarer was able to throw his Knave of hearts. He was now in perfect control of the situation. He led a good diamond from dummy, and East, who held Q 8 6 of trumps and a heart, could ruff or discard, but whichever he did, he could not prevent declarer from fulfilling his contract—the trump Queen was the only trick he could make.

Beautifully played hands, you must agree.

CHESS

LEONARD BARDEN

THE TRADITIONAL Clare Benedict tournament for West European teams opens tomorrow at Teesside Polytechnic, Middlesbrough, with England trying to regain the trophy they won for the first time in 1974 but lost to Denmark in 1977.

The two games this week both have a link with the Clare Benedict. The first was played in another European team event, the EEC Olympiad, also hosted by Cleveland and won last year by West Germany ahead of Britain.

White: V. W. Knox (Manchester); Black: E. Curtin (Dublin). Opening: Sicilian, Najdorf variation (Cleveland 1978).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-QR3; 6 B-KN5, P-K3; 7 P-B4, P-N4; 8 P-K5, PxP; 9 PxP, Q-B2; 10 Q-K2, KN-Q2; 11 0-0-0, B-N2; 12 Q-R5?! (the critical move is 12 Q-N4. With the text, White threatens NxKP), P-N3; 13 Q-R4, B-N2; 14 BxP?! (looks impressive, for if 14...PxB? 15 N3xP, Q-N3; 16 B-Q8! — but instead of this Black should ignore the combinations with 14... 0-0! when he soon regains the pawn with the better game. Because of all this master players prefer 14 B-K7) BxKP? 15 NxP! (a surprise refutation. Suddenly Black is lost), PxN (or Q-N3; 16 N-N7 ch! BxN; 17 KR-K1 ch, K-B1; 18 BxN); 16 Q-QN4! B-Q3 (Black can only stop the mate threat at K2 by going into an ending a pawn down with a bad position); 17 BxN ch, NxB (KxB; 18 RxB ch wins); 18 QxB (Q6), QxQ; 19 RxQ, N-B1; 20 R-N1, P-R3; 21 R-N6, PxB; 22 RxB, RxP; 23 N-K4, N-Q2; 24 R-Q1, N-K4; 25 N-B6 ch, K-B1; 26 R-B1, Resigns.

The second game is from the recent championship of Holland, one of the favourites for next week's Clare Benedict.

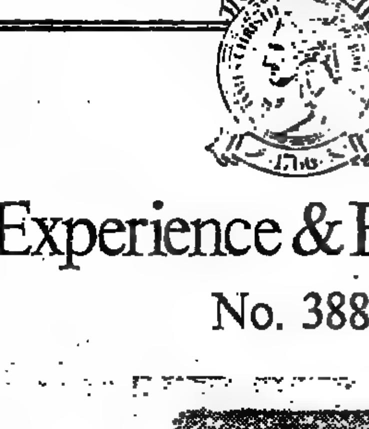
Black overpresses on move 14 and then misses a tactical point on move 20. White plays the whole game with calm efficiency, and the result decided the title which Ligterink won a point ahead of his opponent.

White: G. Ligterink. Black: J. H. Timman. Opening: Ruy Lopez (Dutch championship 1979).

1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5, P-QR3; 4 B-R4, P-Q3; 5 0-0, B-Q2; 6 P-B3, N-B3; 7 P-Q4, Q-K2; 8 R-K1, P-KN3; 9 QN-Q2, B-N2; 10 PxP, PxP; 11 N-B1, 0-0; 12 B-KN5, P-R3; 13 B-R4, QR-Q1; 14 Q-K2, P-KN4? (Black aims to establish a knight on KB5 but he underestimates White's central play. Correct is 14 . . . N-N1 followed by P-QB3 and a gradual advance on the queen's side); 15 B-KN3, N-KR4; 16 N-K3, N-B5; 17 BxN, KPxB; 18 N-Q5, Q-B4; 19 P-QN4, Q-Q3; 20 QR-Q1, P-N4? (the unfortunate advances of the knight pawns lose the game. Black is under pressure but could still try N-K4); 21 P-K5! (now the win is already forced), NxKP; 22 NxN, BxN; 23 QxB, QxQ; 24 RxQ, P-KB3 (PxB? 25 N-B6 ch); 25 N-K7 ch, K-N2; 26 KR-Q5, PxB; 27 RxB, RxR; 28 RxR, K-B2; 29 RxP, K-K3; 30 P-B4, resigns (K-Q3; 31 N-Q5).

POSITION No. 276

BLACK (11 men)



WHITE (10 men)

Zuidema v. Whiteley, Clare Benedict Cup 1974. Black's next move in this diagram settled the result; how should the game go?

PROBLEM No. 276

White mates in three moves at latest, against any defence (by L. I. Kubbel).

BLACK (3 men)

WHITE (4 men)

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FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
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Saturday July 14 1979

Taking our medicine

THE strong inflationary pressures which persist in the economy have been made very clear this week. First, the wholesale price indices showed that the prices of manufactured goods are rising rapidly in response to the big increase in industry's raw material and labour costs since the autumn. Output prices have risen by 7.8 per cent in the first half of the year, compared with a 3.7 per cent increase in the second half of 1977. On the input side, the prices of raw materials and fuel rose by 9.3 per cent in the first six months of the year, against an increase of 0.9 per cent in the second half of 1978. The rise in raw material costs would have been higher but for the strength of sterling.

Wage round

If the world economy starts to slow down, as seems virtually certain, the rise in input prices should begin to ease later in the year, but the prospects for retail prices over the next few months are not good. The 12-month rate of retail price inflation rose from 10.3 per cent to 11.4 per cent between May and June and the signs are that the rate will move up to 17-18 per cent by the late autumn. Whatever impact is made by the Government's proposed standard of living index (which will show the effects on take-home pay of income tax reductions), the acceleration in retail prices is bound to influence the next wage round.

Secondly, the banking figures for mid-June highlighted the monetary pressures which led the Government to increase Minimum Lending Rate to 14 per cent in the Budget. Both bank lending and central government borrowing have been running at a high level and the growth rate of the money supply has continued to be above the upper end of the official target range. Two of the big banks have exceeded the limits imposed by the corset controls on the growth of their operations.

The buoyancy of bank lending partly reflects the strength of consumer expenditure ahead of the increase in VAT, but there does not appear to have been any marked change of trend in recent weeks. For the next two months the banks' lending limits and the authorities' money supply targets are likely to be under continuing pressure. Despite the Government's strenuous appeals to the building societies (which seem to have had some success, at least to the extent of deferring the rise in mortgage rates until January), domestic considerations are likely to preclude a cut in MLR for some time yet. In the meantime interest rates in other centres are tending to rise.

The strength of consumer spending has helped to keep industrial activity at a moderately high level, although, as usual, a depressingly large amount of the benefit has gone to importers. The extreme case is the passenger car market, where the share of imported cars rose to 55 per cent in the first half of the year, compared with 47 per cent in the same period of 1978.

Overall the recovery in industrial output since the troubles of the winter has been disappointing. The latest index of industrial production suggests that in the first five months of the year the underlying level of output remained much the same as it was in the summer of 1978; a reduction in the output of the manufacturing industries was roughly offset by an increase in the output of the energy sector.

Exports have been helped by the strength of the American and some of the European economies, but these sources of demand are certain to weaken by the end of the year if not before. The Carter Administration's mid-year economic report suggests that the recession in the U.S. may have started already: economic activity is forecast to contract in real terms by 0.5 per cent this year and to expand by a very modest 2 per cent in 1980.

Unemployment

Thus the world trade environment over the next 18 months is unlikely to bring much comfort to the Government as it seeks to shake inflation out of the system and reorientate the economy. At a time of sluggish growth in demand the Government will be imposing the disciplines of a strong exchange rate, strict monetary and fiscal control and tight cash limits on the public sector. The potential impact of these policies on employment is reflected in the violent trade union reaction to the British Steel Corporation's latest closure proposals, which in turn stem from the Government's refusal to fund the Corporation's revenue losses from the start of the next financial year. There are also likely to be strains on liquidity in the private sector.

The hope is that after taking this unpleasant medicine the economy will emerge in leaner, more competitive shape towards the end of next year, when the incentive effect of lower direct taxes should be making itself felt. In the meantime the public has to face the fact that the latest rise in oil prices has to be matched by a cut in real living standards.

This is a point which the Government has not yet got across with any great persuasiveness: one way of bringing it home would be to take action on gas prices, which at present are absurdly low in relation to world energy prices.

A bigger role for business in sponsorship of the arts

BY ANTONY THORNCROFT, Arts Editor

THE ARTS world has just discovered at first hand the ups and downs of politics. Within weeks of welcoming, in the shape of Mr. Norman St. John Stevas, a British Minister for the Arts who publicly committed himself to championing its cause in the Cabinet as well as in the nation at large, it has to face the depressing reality of Government public expenditure cuts which lopped 2 per cent off the Arts Council's 1979-80 grant, as well as higher VAT which has lifted seat prices for theatres and concert halls.

More ominous still are the reductions of the rate support grant. Many local authorities take a less than enchanted attitude towards the arts and are certain to regard cutting expenditure in this area as one of their easier options. Already, in London, there are reports that Sutton and Barnet are retrenching. The Greater London Arts Association has frozen its budgets and its recruitment in the expectancy of a fall in the aid it receives.

Inflation element

The real crisis is likely to emerge next spring. For the rest of this year theatre groups, dance companies, and so forth, throughout the country are certain to protest as the local authority contribution to their funds is reduced, or even withdrawn. But for 1979-80 the Arts Council, by far the biggest supporter of the arts, has reassured its 1,200 clients that their already notified grants will be maintained. However, to comply with Government instructions the 2 per cent decrease, to £60m for the year, will be made effective in the 1980-81 support. So arts organisations know already that their money from the Arts Council for next year will be reduced by that amount.

Ironically, for the first time in three years, the Arts Council had managed to squeeze from the Government a real increase of its funds for 1979-1980. The grant was up by 25 per cent, which covered inflation and added a little more in recognition of the fact that the effects of inflation on the arts tends to be greater even than in the world at large. But then the Budget reduced the increase to 23 per cent only. Sir Roy Shaw, director-general of the Arts Council, cannot realistically expect his aid to increase until the Government solves the underlying economic crisis. In the meantime the arts, like every other institution in the country, must envisage having their assistance reduced. So the bad time will be 1980-81. The Arts Council is in the process of warning its clients of the difficult months ahead, suggesting that if possible they put something aside from this comparatively generous year to meet the 1980-1981 crunch. It is also at pains to point out that recipients who behave in an improvident manner cannot expect the Arts Council to bail them out.

Leonard Burt

A scene from The Rake's Progress. This new production of Stravinsky's opera at Covent Garden was financed through substantial contributions from a private patron, Mrs. Edgar G. Tobin, and from the Royal Opera House Trust, which was set up in 1974 to persuade companies, and some individuals, to support Covent Garden with cash.

Quite the reverse. Sir Roy says: "The Arts Council will have to consider being more rigorous in dropping unsatisfactory clients. People will be examined much more closely this year. And although we shall assess all clients on their merits I assume larger clients will bear cuts more easily than small ones." This is bad news for the main recipient, Covent Garden, which received £5.4m last season, and the National Theatre, which is getting £3.85m this.

It will also make things tougher for the loony fringe of Arts Council recipients. In its committed advocacy of the experimental the Council invariably backs a few losers. There must, however, be an awareness that the Government will be dubious of the dotty cases, the "political" fringe theatre groups, the individual artists, who make free expression a personal indulgence, and the organisations which survive on minimal popular support but comfortable Arts Council grants.

On the other hand, the Arts Council is under pressure to look after its more adventurous protégés because the solution propounded by the Government to solve the chronic financial problems of the arts—more support from business—is likely to pass over the avant garde altogether. It is a persistent criticism of companies that they only want to be seen underwriting the safe, the respectable and the popular in the arts.

So the Arts Council will have to steer a difficult course, underpinning work which is both experimental and worthy while trying to safeguard it from the sometimes relevent criticisms of its political paymasters. At least Mr. Norman St. John Stevas has a belief in community arts—one of the most controversial areas—so the council may once again get its way, surviving because it is disliked by extremists of Left and Right, and confirming its reputation for rough-and-ready impartiality. Sir Roy says: "We regard the next couple of years as a challenge. We shall respond positively," even though it means that some recent ideas, such as the canvassing of a "super" orchestra for London at a cost approaching £1m, will have to be shelved.

The Arts Council will always be the major financial mainstay of the arts in Britain, but the Government certainly wants to broaden the sources of revenue, and in particular would like to see much more business and private aid, both in terms of corporate sponsorship and private patronage. To date industry probably pumps approaching £4m into the arts, a considerable increase in the past few years but a tiny sum set against the Arts Council's £60m. But every week a new business commitment to the arts is announced.

Two weeks ago Amoco announced £250,000 of support, spread over five years, for the Welsh National Opera, probably the largest sponsorship ever by one company in the arts. The money will enable the WNO to appear in London and also help it with recordings. It means the possibility of a more varied repertoire and some easing of the financial headaches which affect all arts organisations, but in particular opera companies with their very high costs. For Amoco it creates good will in Wales, where it is just increasing the capacity of its Milford Haven catalytic cracker, and also contributes towards a more prominent image in the UK market where to date its market share has been below its world ranking as an oil company.

U.S. role as patron

Last week American Express committed itself to the London Symphony Orchestra, underwriting its tour of North America next summer to the tune of £250,000. Without such aid the LSO could never have attempted such a costly venture and it is the biggest single corporate aid for the orchestra. It is perhaps significant that both companies are American, for in the U.S. companies are much more conscious of their role as patrons of the arts with the aim of improving the quality of life. Many hundred millions of dollars go to financing the arts there, helped by tax inducements.

Under the British taxation system help for the arts can be set against Corporation Tax, reducing by more than half a sponsor's real expenditure. The problem has been a lack of will rather than an absence of governmental financial encouragement. Too many companies regard helping the arts as a way of entertaining suppliers and customers with a patina of extra publicity. The grand occasions, such as Glyndebourne and Covent Garden, are favoured and very little research is carried out into the general impact. Things are changing under the guidance of the Association for Business Sponsorship of the Arts, which now has 69 members and does a big educational job as well as acting as a marriage broker. It was instrumental in bringing together WNO and Amoco.

Despite the greater professionalism, helped along also by the existence of consultants, like Kellaway, who devote themselves to linking business and the arts, most industrial sponsorship is seen as casting of bread upon the waters. It need not be so. Harvey's of Bristol, for example, has built up a mutually beneficial relationship with music from small beginnings, culminating in its sponsorship of the Leeds piano competition, which receives world-wide attention. The last competition received five hours of TV coverage, as well as Press publicity, which by any standards is a good return for £12,000. These days the BBC is quite prepared to mention the sponsor of any concert or opera it broadcasts so that the main inducement for sports promotion—a transmitted plug—is now available from the arts.

The major sponsors of the arts remain the Imperial Group, which has kept its aid fixed at around £250,000 a year now for some time and is a regular backer of a Covent Garden production as well as of Glyndbourne; IBM, which helps in small ways at the local level as well as contributing, usually, £100,000 plus annually to one major London event (this year the Post-Impressionist exhibition at the Royal Academy) and to the European Community Youth Orchestra at the international level; the Midland Bank, which continues its help for the Covent Garden Proms; and W. H. Smith, which has come in recently with a concentration on children and the literary world.

Other banks and insurance companies are also active, especially the National Westminster and the Commercial Union helping Covent Garden, the main beneficiary of industrial aid. Even so only around £300,000 of its £10m turnover derives from this source, and there are still productions in its forthcoming season which need business money.

Differing policies

The distinction between patron and sponsor in the arts remains blurred. There are some companies, like Marks and Spencer and the John Lewis Partnership, which support artistic events but expect little recognition. At the other extreme Lambert and Butler has taken over from its associate company W.D. & H.O. Wills the sponsorship of the recordings of the London Philharmonic Orchestra under the Classics for Pleasure label. With total sales so far of around 2.5m the investment produces a royalty which can meet the cost, although this is once again ploughed back into the orchestra. Harvey's is attempting a similar operation with RCA, and English music.

Although there are many opportunities for arts sponsorship—fine art, architecture, jazz, literature and the theatre are still largely ignored while music, opera and ballet attract most of the attention—the economic climate may deter companies from making a commitment, which should always be long term. At least arts organisations are starting to realise that a sponsor needs a return in publicity as well as bringing the artists into close contact with the staff, customers, or suppliers of the industrial supporter. There will always be the arm's length approach of underwriting an opera as a token of good will, but in the future the consultants and the marketing men will be involved to try to evaluate the return on the investment under a long list of headings. It is unlikely that the personal income tax cuts at the highest levels will bring in many private patrons but the need for business to show itself as socially responsible must, in the long run—and given some eventual improvement in the economy—ensure that commerce as a junior partner with the Arts Council will play its part in maintaining the position of Britain in the arts.

Letters to the Editor

Inspiration

From Cdr Innes Hamilton.

Sir,—Surely we have now had enough self-congratulatory comment in your columns by obvious Tory voters, and in particular those claiming to represent the City's views.

No one doubts the good intentions of Sir Geoffrey Howe but the key to Britain's survival as a nation of consequence is increased production at competitive prices with on-time delivery. It is naive to think that a reduction of 3p in income tax (offset by rip-roaring increases in the price of almost everything) is going to inspire everyone to work like blazes.

Neither friendly relations nor confrontation with the unions; nationalisation nor hiving off the best bits of industry to private enterprise; wages and prices policies nor leaving it all to "markets forces" will achieve the radical change required in the whole conception of industrial democracy in Britain. Put simply, all our troubles would be solved if everyone who worked in any enterprise had reason to wish fervently that the enterprise was profit-making and successful.

It matters not whether the boss is the State, Sir John Bloggs, or a bunch of shareholders, if one gets the same dreary money every week—regardless of one's effort, if one is referred to as the labour force, has no say in the running of the business, and no share of the profit in the making of which all have played a part. What is needed is inspiration and enlightened mutual enthusiasm by everyone in industry because they feel part of it and share in the creative ideas and the rewards which can be won by those who really care.

Our two larger political parties trot out the same old stuff, preserving the appalling divisions in every aspect of our national life. Roll on proportional representation when the millions who believe in people and what they could achieve, are represented by more Liberals in parliament and we can legislate on these things. It will take time, but it will be a new dawn. Meanwhile, let's stop kidding ourselves that tinkering will make us great again.

Innes Hamilton,
Fairway Lodge,
Virginia Water, Surrey.

VAT

From Mr. D. Franklin

Sir,—Mr. K. A. Bishop (July 3) holds a widespread belief that the effects of the increase of VAT is a serious effect for the majority. He says that "at a stroke, prices on practically every commodity increased by 7 per cent."

Many types of goods such as electrical items were increased by 2½ per cent and in a 1977 statement by Mr. Denis Healey, the former Chancellor, he pointed out that VAT covered only 45 per cent of goods consumed by the average person.

D. G. Franklin,
Lerpiniere House,
121, Kennington Road, SE11.

Footwear

From the Director, Economics and Legislation, British Footwear Manufacturers' Federation.

Sir,—I was sorry to see that your leader writer (June 26) still regards us as a basically protectionist industry although we have tried to set out our true position in your own columns and elsewhere.

To restate the position: some three-quarters of the world's footwear making capacity is now effectively protected against imports—and the proportion is growing rather than falling. This means that the world's exports are concentrated towards the only remaining open markets of any significance—West Europe and the United States. It also means that our exports too are increasingly restricted to these markets only.

We would welcome, and think we could compete very successfully in, a world free of import restrictions—the growth in our exports to other EEC countries from 3.8m pairs in 1970 to 9.2m pairs in 1978 testifies to this. But in practice there is not the slightest chance that significant progress will be made in reducing the barriers; an analysis of them shows that with few exceptions they are maintained for good reasons. That is why to correct the imbalance in trading arrangements — which itself distorts trade—we envisage some form of world-wide regulation of trade in footwear as being inevitable. To try to compete naked in an arena of armed men is in the long run suicidal, even though we are managing for the time being.

W. N. S. Calvert,
Royalty House,
72, Dean Street, W1.

Trolley bus

From Mr. H. F. Watson

Sir,—Mr. Line's letter (July 11) is a pipe dream. All the authorities running trolley bus services destroyed them some years ago. It was the most suitable form of urban and city transport so far invented. However, the oil lobby made sure that we have now to suffer the stinking diesel bus. The city air is often blue with the smoke, not to mention the noise, from these obnoxious vehicles.

Maybe it is still not too late to bring back the trolley bus to city centres and urban areas and leave the long distance journeys to the railways.

H. F. Watson,
129, Walnut Tree Road,
Charlton Village, Shepperton.

Cars

From Mr. W. Martin

Sir,—Oil producers see the Governments of most of the industrial nations creaming off, through high duties and tax a substantial slice of consumer spending on oil fuels. Quite rightly the oil producers must argue, why should they provide the basis for these high revenues for the tax coffers of other Governments?

What is happening in effect, is that user Governments are setting the pace of price increases that consumers are prepared to pay. The response of the oil producers is to say, "thank you very much for showing us that we can now put our prices up even more!"

The correct remedy to save oil imports lies in doing the opposite to what is currently practised and proposed. Higher duties or taxation should be put, not on the fuel itself, but on the vehicles or equipment using oil. In the case of cars, the annual road duty should be raised substantially, probably starting with £200 a year or more for a small car and rising progressively for large ones. Petrol and other fuels should not be taxed at rates higher than other commodities. At the same time cars should no longer be allowed as a business perk.

What would be the effect of such changes? There would probably be a fall in car ownership and a shift towards car rental and hire and greater use of public transport. There would be a considerable reduction in road congestion, itself a major source of fuel waste, and a substantial improvement in public transport facilities. A much more effective use of resources would result from a larger car hire industry, since vehicles would be more intensively used than they are at present. The number of cars in use would fall and here again there would be substantial energy and raw material savings in all areas of transport expenditure.

There is not space here to consider the full implications of such changes in taxation policy. Possible employment in the motor industry, is clearly an important factor, but given the high level of imports, much of this would be an overseas problem. At the same time, there should be a noteable revival in public transport and in motoring services with a proportionate rise in employment in these sectors.

W. H. Martin,
Lint Growis,
Forcarth,
Sudbury, Suffolk.

Accountancy

From Mr. W. Rowland.

Sir,—I refer to your accounting supplement (July 3) and in particular to Michael Dixon's article headed "Hurdling the exams."

I think it is most unfortunate that he should rely on the "opinion among the private colleges" for views as to whether or not the professional accountancy bodies have got the "qualifying process right." Surely the people to ask are the users and not the academics.

Among my accountancy colleagues at work are English and Scottish CAs, cost and management accountants and certified accountants and we are happy to have the certified accountants examinations as the prime source for our qualified accountants as we believe that those exams do provide practical grounding for modern day financial and management accountancy.

W. R. Rowland,
5, Burlingham Avenue, West Kirby, Wirral, Merseyside.

Architecture

From the Chairman, Association of Consultant Architects.

Sir, — While I agree completely with Mr. Noel-Baker's plea (July 11) for the restoration of educational grants for British students to the Architectural Association School of Architecture, I feel bound to take issue with him over his description of the state of contemporary British architecture. If Mr. Noel-Baker were to visit the current exhibition at the Royal Academy he could not fail to be impressed with the richness and variety of architecture currently being produced by British architects.

J. M. Austin-Smith,
40-42, Lexington Street, W1.

Creditors

From the Secretary Institute of Credit Management

Sir,—We are pleased that Sir Kenneth Cork, our President, who is Chairman of the Insolvency Law Review Committee, is to instigate an enquiry into the Crown right of "set off." In far, too many liquidations, the Crown has been able to jump the queue of unsecured creditors, by setting off, for instance, amounts due to the insolvent company for work done on Admiralty contracts against outstanding PAYE without having to prove mutuality of dealing, which is the basis upon which a right of "set off" exists. The Institute hopes that something will come of this to enable the "set off" to be limited, at least to the same Departments of the Crown.

P. A. E. Dumas,
12 Queen Square, Brighton

Wimbledon

From Mr. R. Tait

Sir,—In his comments on Wimbledon (July 9), John Barrett asks for an improvement in the standard of officiating. Surely the time has come to let the micro-chip take the strain. Television cameras linked to a device which could identify a tennis ball and the lines of the court in relation to one another would soon displace linesmen. How apt it would be if the country which invented both tennis and the computer should produce something which put an end to the petulance which so often spoils the championship.

R. Tait,
Four Winds, Pebble Hill Road,
Betchworth, Surrey

Advertising rides the crest of a wave

BY MICHAEL THOMPSON-NOEL

IN A notable excursion the Lyons Tetley Tea Folk took a ride across London this week to join a new advertising agency. The Tea Folk, of TV fame, on whom the Tetley brand has been built, travelled from McCann-Erickson in Howland Street to D'Arcy-MacManus and Masius, another U.S.-owned agency, in St. James's Square. McCann resigned all of the Tetley business earlier this year.

For Masius, the arrival of the Tea Folk marks the gain of a £1.2m account. The travels of the Tea Folk are not exclusively of interest to the under-fives, for in a total tea market worth more than £300m, they sell an awful lot of tea. (The PG Chimps sell more, but that's another tale.)

Advertising in Britain is a £2bn business. It is neither widely loved nor generally understood, though it is by no means universally resented. For consumerists and politicians everywhere, it remains a favourite Aunt Sally, one of the first targets for attack whenever the behaviour of manufacturers or the integrity of big business are under fire.

In the popular imagination, advertising men are probably still seen as hucksters: extroverts in white suits who drive fast cars and are paid exaggerated salaries for the bright-lights imagery with which they dust the merchandise that stars in their advertisements. (The making of television commercials now costs up to £1,000 per second.)

For consumers, advertising is probably neither here nor there. They recognise that advertising plays a useful role in alerting them to the existence of new products as well as new uses for old, although they certainly draw the line when fantasy becomes silly or endorsement unbelievable.

In the Boardrooms where advertising budgets are discussed and approved, the art of the persuaders is enjoying a qualified renaissance. Few, at present, are heard challenging its role, in stark contrast with the recession of 1975-76 when advertising budgets, along with research and development spending, management training programmes and all the other symptoms of a healthy business clime, were laid low by the virus. The euphoria will not last, but at present advertising is riding the crest of a wave.

Advertising is what Mr. Charles Higham once chose to call "scientific publicity." (He might have added "paid-for publicity"). Its action was that of a threshing machine, he thought. "It sorts the wheat from the chaff. Only honest thought, as only honest merchandise, can stand the limelight of organised publicity for any length of time. . . It accelerates failure when a cause is dishonest, and it clarifies and strengthens a cause that is just. It acts on the told, but it reacts on the teller: and this is the best argument I know in favour of its use in all forms of public work."

He was discussing political advertising, though his remarks apply with equal force to "scientific publicity" on behalf of rival shampoos, or competing makes of car, or antagonists in the £75m UK chewing gum market.

He sells an awful lot of tea.

In cash terms, advertising expenditure last year totalled £1.83bn as measured by the Advertising Association, compared with £1.5bn in 1977 and £1.2bn in 1976—a reasonable enough indication that after the gruesome business lessons of the middle-1970s, UK management had re-adopted the notion that when it comes to selling, advertising helps. (There were other factors at work, of course, notably corporate profits and the trade cycle itself, for which advertising expenditure is an extra-sensitive barometer.)

An example of a major UK advertiser which in the past three years has changed its tune on advertising is the confectionery division of Cadbury Schweppes. It fights hard and long, notably against Rowntree and Mars, in one of the biggest markets of all. UK confectionery sales are worth £1.52bn. In the early to mid-1970s, for marketing and policy reasons which sounded good at the time, Cadbury slimmed its advertising expenditure in a bid to cushion profits. It was taught a very painful lesson in terms of market neglect, with the result that today it is once again advertising its brands to the hilt.

In May, Heinz said it was raising its marketing budget over the next 12 months to £21m, including advertising expenditure, across all major brands, of more than £8m. The new marketing budget at Heinz represents 7.9 per cent of projected UK sales, compared with 6.7 per cent in the last fiscal year. There are many more examples of such expansion, and of a re-stated belief in the value of advertising.

UK advertising expenditure last year showed a gain in cash terms of 22 per cent. As a proportion of total consumers' expenditure, it reached 1.92 per cent; as a percentage of GNP, 1.3 per cent. The boom of the past three years has thus restored most indicators of advertising activity to very high levels. Not that expenditure last year reached the Guinness Book of Records (even though Guinness is a very big spender). In terms of constant 1970 prices, expenditure last year was £845m. The best years of all, in 1970 terms, were 1973 and 1974. As a proportion of total consumers' expenditure, advertising expenditure last year was the second highest for 14 years; as a percentage of GNP, the second best for nine.

Can it last? Quite obviously not, though the advertising fraternity (and the media, of course) are enjoying another good year. The year started badly with the lorry-drivers' strike, which took the bloom off the cherry, particularly on TV where first-quarter revenues of the ITV contractors were only 8.5 per cent up to £90.2m. But the Advertising Association still expects a 2 per cent gain in real terms for the whole of the year. If the general inflation rate finishes at 13 per cent, the association would expect a 15 per cent increase in advertising expenditure, to £2.1bn. What will happen in 1980, nobody knows, for the flawed crystal ball of business prospects is confusing the advertising business as much as everybody else.

Sitting tight

The more sanguine commentators reckon that the next business recession will have a milder impact on advertising than the shake-out of the last. That is a hunch. It is based on the theory that business at large learned at least one important lesson in the mid-1970s — namely, that in the face of recession, not only do you not launch a panic raid on advertising funds, but you continue to cultivate all other forms of marketing as well (R and D, process and product improvement, consumer research, and so on). You sit tight, think of England, and *market* yourself out of decline. Whether such a course is truly efficacious, we shall have to wait and see.

At any rate, advertising has enjoyed nearly three boom years. The media are flourishing, or should be. Net advertising revenues of the ITV contractors last year were £363m, 21 per cent higher than in 1977. On the Advertising Association's definitions of expenditure, which include production costs, television last year accounted for 28.3 per cent of the total, the same as the regional Press, though overshadowed by the 67.4 per cent for the Press as a whole. Television advertising should gain considerably from the eventual introduction of ITV-2.

Expenditure in the national Press last year totalled £295m, though Fleet Street's market share slipped to 16.1 per cent. Industrial troubles like those at Times Newspapers, together with an apparent lack of marketing drive *vis-a-vis* that of rival media, are mostly held to blame. Magazines and periodicals did well at £143m. Posters and cinema staged definite revivals and radio advertising reached £35m. Most radio stations are now making profits.

In Adland itself, prosperity reigns. The excesses of the 1960s, when agency creative directors helicoptered from one client presentation to another, have largely disappeared. Employment is rising. Profits are good: the largest British-owned agency, Saatchi and Saatchi, which handled the Conservatives' election advertising, made a pre-tax £1.87m last year against £1.25m. There has been great pressure on costs, particularly on salaries, but times have been good. One agency chairman, picking at his salmon, told me recently that for him, advertising remained an "extraordinarily easy" way of earning large sums of money for doing what he liked best.

Troublesome

Above all, advertising is still celebrating the election win of Mrs. Thatcher. For some obscure reason, a Tory administration is thought of as inherently better for advertising than a Labour one. Be that as it may, the advertising fraternity has at least bid adieu to Mr. Roy Hattersley.

As Minister for Prices and Consumer Protection in the last administration, he was starting to become troublesome, having criticised advertisers for exploiting the poor and the vulnerable. Advertisers could mislead and obscure, he said. But from there, venturing on to quicksand, he claimed that advertisers could "prop up old products and existing supplies, making it harder for new producers to enter the market and innovate. The advertisements themselves and the products they push can harm the quality of life." (He was asked to name one "unwanted" product that was sustained solely by advertising, and could not name one).

Eventually, Mr. Hattersley's line of argument suffered a TKO at the hands of Dr. Duncan Reekie, a specialist in business economics at Edinburgh University, who in a report published in April demonstrated how advertising helps check cost of living increases, does facilitate market entry, fosters innovation, encourages scale economies, and helps to boost profits (not all at once, of course, or rather not necessarily).

This is not to say that advertising has somehow been elevated into pure art or science: it remains a bastard of the two. It has failings, and the next attack, from Brussels, may be rather more severe. The new Euro-MPs have hardly found their coat-hooks, but may soon find themselves discussing very tricky matters like the advertising of pharmaceuticals, tobacco and alcohol, as well as advertising to children. A Community-wide solution seems highly desirable, though the Advertising Association in London says that action should only be taken by the European Commission when "close and dispassionate study" indicates that the action proposed would be genuinely in the public interest and effective in achieving social aims."

The strongest criticisms of advertising comes from within its own ranks. In a devastating attack on the quality of advertising across Europe, Mr. Lester Delano, president of the Campbell-Ewald agency network, and Mr. Donald L. Kanter, a social psychologist from the University of Southern California, claimed earlier this year that their research indicated that a majority of advertisers were wasting some or all of their budgets and ignoring their customers' needs. Much of European advertising, they felt, was "boring, trivial and predictable."

Perhaps the advertising community will settle down to answering that. In the meantime, it remains what Mr. Jeremy Bullmore, chairman of the J. Walter Thompson agency in London, has described as an "agreeable, necessary, not vastly important, almost wholly innocuous business." After all, it did invent the Tetley Tea Folk.

Weekend Brief

How Elstree's revival has brought the world's film-makers to Britain . . . Why Renault has its fingers crossed as the cars line up for the British Grand Prix at Silverstone.

How Elstree is winning the Star Wars

And now some good news from the EMI front. Five years ago EMI-Elstree Studios, now probably the biggest and best-equipped "four-wall" studio complex in Britain, was threatened with closure. EMI executives had despaired of its profitability in the slump movie years of the early 1970s and decided to put it swiftly and humanely out of its misery.

Today, having been whisked from the jaws of destruction in 1974 by the joint determination of the Elstree staff and the then new managing director Andrew Mitchell, this studio on the North edge of London is a-buzz with activity and is probably the most in-demand of all Britain's major movie studios. The difference between "four wall" and traditional studios, like Pinewood, is much the same as the difference between self-drive and chauffeur-driven cars. With one you get staff and the other you don't.

Andrew Mitchell still presides over the studio five years after wreaking his minor miracle of economic resuscitation and union good relations. He pruned, without too much ill-feeling, Elstree's staff from its 1974 level of 518 to a less-than-skeletal 48. His studio is currently accommodating the nearest thing to a do-it-yourself gold mine that the modern cinema could produce. *The Empire Strikes Back*—alias *Star Wars Two*—is at Elstree spreading itself over five sound-stages and occupying most available space in props rooms and carpentry shops. When all other space fails, the production tends to spill over into corners and corridors, making Elstree look like an outpost of the Galactic Empire on sales day.

Picking their way through half-built robots, rubber animal heads, plaster-and-canvas trees, visitors can make their way to the newest glory of Elstree and the crowning tribute to its five-year recovery. A new sound-stage has just completed construction and it looms like a giant, corrugated-steel cathedral on the edge of the Elstree complex.

"It's reckoned to be the largest purpose-built movie stage in the world," said Andrew Mitchell, my escort on the tour of Elstree. "It's 30,000 square feet in size."

The studio can thank the *Star Wars* company for initiating this new addition: it was at their bequest, for the purposes of the sequel movie, that the sound-stage was built. But *Star Wars* did not pay for it. EMI — Elstree's own money — £70,000 of it — went into building this super-stage, and it is the most ambitious investment in the future that British studios have recently made.

At present the new stage houses the icy wastes of a planet set for *The Empire Strikes Back*—huge white caverns dripping with stalactites—but it can also be filled with water, when occasion requires, to provide a giant indoor tank. The old outdoor tank, constructed for *Moby Dick* in 1954, sits nearby looking outshone and a little forlorn.

The British company which built the new stage—Giltspur—are still busy at Elstree, currently occupied in clearing ground (and rooting up old air-raid shelters) for a big new props room to embellish the studio.

Elstree today seems to be boasting an unending line of major international productions. When *The Empire Strikes Back* leaves the studio in August, *Flash Gordon* will come in. And when *The Empire Strikes Back* came to the studio in January, it overlapped with the last months of shooting on Stanley Kubrick's big-budget thriller of the supernatural, *The Shining*.

After a star-studded and bewildering tour we sat down again in Andrew Mitchell's office, I asked him: Had the meteoric success of recent years gone to Elstree's head?

"No, it's gone to our pockets, I'm glad to say, and to the pockets of the British film industry. A lot of people complain because British studios are occupied mostly by American productions. But these productions are bringing in countless dollars to this country, and those dollars are going to our own craftsmen and technicians. *Star Wars* alone brought £5m into Britain. And it's estimated that *The Empire Strikes Back* will bring in about £9m."

I asked him if George Lucas, writer-director of *Star Wars*, had developed a special loyalty to Elstree? "Yes. George Lucas told me the other day that he could have made *Star Wars Two* in America, if he had wanted, just as economically as in Britain. Despite what many people think. But he has such a high opinion of our craftsmen, and the way our studios are run, that he wanted to make it here.

"Elstree is 55-years old and it has seen and survived virtually every era in British film history. It survived the early 1970s slump because we made the decision to cut down management staff and turn the studio into a 'four-waller.' By doing that we attract more and bigger, not fewer and smaller, productions. Visiting production units can bring their own craftsmen and not have the studio's thrust upon them.

"People keep saying, where is the British Film Industry? Why are all our studios in the grip of American films? Well, it's because our studio conditions *suit* Americans and because at present Americans have most of the money to make films. But that money is now coming into our coffers, and it is bringing with it a new confidence and a new independence. If you are looking for a Renaissance in British film-making, this is one way in which it could start to come about."

Mark Hamil and friend in Star Wars 2: to the rescue.

Elstree's Andrew Mitchell: a fairy story from sci-fi.

Renault waits for the big pay-off

TODAY, Bastille Day, it should become clear whether Renault's attempt to storm the Grand Prix motor racing world is about to pay off.

The French state-owned manufacturer has already introduced one revolutionary change into the rarified atmosphere of grand prix racing, being the first—and so far only—competitor to use a turbocharged engine. As a result, its cars now have more power than any of their rivals—some 510 brake-horsepower—and at the same time Renault is acquiring useful test-bed experience for a generation of turbo-powered road vehicles yet to come.

Yet in terms of grand prix successes, until last month all that Renault had to show for several million pounds' worth of investment was at first a string of broken engines and non-finishes, and only more recently some finishes—but not among the leaders.

Then, at the French grand prix at Dijon two weeks ago, the situation changed radically. For Renault, everything came right—the engine, the chassis, the teamwork. The lean and taciturn Jean Pierre Jabouille took one of the Regie's bright yellow cars to a convincing victory and his team-mate, Rene Arnoux, placed third behind Canadian Gilles Villeneuve's Ferrari after the fiercest grand prix scrap witnessed in years. Renault had in the bag its first *grand epreuve* victory since 1906.

Today, at the British Grand Prix at Silverstone—where the Renault made its Formula One debut two years ago—the two Renaults are expected to be firmly among the front runners again in what is being billed as the fastest grand prix ever to be run: for Silverstone is now the quickest grand prix circuit in the world and lap speeds of 145 mph or more are a certainty.

Australian Alan Jones in the Saudi Arabian Airlines sponsored Williams has been fastest in practice, with the Renaults close behind. But with their new-found reliability, many are expecting the French cars to win the day.

Certainly it is the fastest circuits which favour the Renaults, for their turbo engines—which at 1½ litres are half the capacity of "conventional" grand prix units—are at their best at high speeds, at their worst at the tighter, slower circuits such as Monaco. And now, in the second half of a season which for a number of reasons has seen the grand prix world turned on its head, all the really fast circuits are yet to come. . .

The year so far has been a bizarre one: at the end of 1978 the domination of Colin Chapman's Lotus cars, the only ones to incorporate the "ground effect" in which the cars' aerodynamic design sucked them onto the track, had been so complete that it seemed inconceivable that other teams would be able to catch up until well into '79. As it turned out, the early season pace was set by perhaps the most unlikely combination of all—the French Ligier cars coping, unlike all the other contenders, not just with the problems of "ground effect" chassis but with a switch from the French Matra engine to the British Cosworth engine as well. The new Lotus 80, despite the best efforts of 1978 World Champion Mario Andretti, has barely featured in the results, while Ligier, too, has since lost its way. Thereafter, at least until Dijon, the Ferraris of Jody Scheckter, now leading the championship with 30 points, and Villenuve, second with 26—had been making the running.

The impact of Renault, as the only mass manufacturer on the grand prix scene, goes beyond its ability to win races: Ferrari and Brabham-Alfa Romeo have felt obliged to follow it down the turbo development route, while the mainstay engine of most teams, the Cosworth V8, has gradually been slipping out of the results. Since the resources required for development of turbo engines are huge, and neither the French nor Italian concerns are likely to sell their engines to rivals, all the specialist teams, even including Lotus, could well find themselves hard pressed to keep up next year.

Contributors:
Nigel Andrews
John Griffiths

Economic Diary

SUNDAY—President Carter to make nation-wide televised speech on energy and other economic issues.

MONDAY—EEC Finance Ministers meet, Brussels. Mr. Francis Pym, Defence Secretary, begins three-day talks in Washington to be followed by discussions in Ottawa. Balance of payments current account and overseas trade figures (June). Retail sales (June provisional). British Institute of Management and Institution of Works Managers, meet Mr. James Prior, Employment Secretary, on proposed legislation changes.

TUESDAY — European Parliament in session, Strasbourg. Trades Union Congress conference on race relations, Congress House, London. Milk Marketing Board annual report. Sir Richard Marsh, chairman, Newspaper Publishers' Association, is guest speaker at American Chamber of Commerce Luncheon, Savoy Hotel, London.

WEDNESDAY—Statement by Dr. David Owen, MP, on opposition energy policy at Socialist Environment Resources Association meeting, House of Commons. TUC employment policy and organisation committee meets on industrial relations, Congress House. Royal Commission on the National Health Service report. Basic rates of wages and normal weekly hours (June). Monthly index of average earnings (May). Cyclical indicators for the UK economy (June). British Airports Authority annual report.

THURSDAY—UK banks' assets and liabilities and the money stock (mid-June). London dollar and sterling certificates of deposit (mid-June). Consumers' expenditure (2nd quarter—first preliminary estimate).

Thorn finishes at £118.1m after static second half

A STATIC second half has left **Thorn Electrical Industries** with taxable profits ahead from £110.3m to £118.1m for the year ended March 31, 1979. External turnover was £1.21bn compared with a previous £1.09bn.

At midway, with profits up from £46.2m to £54.3m, the directors said that with the present uncertainties, prospects for the second half were not as good as expected. But they remained confident for future years.

They now state that the company has since experienced the disruptive effects of the severe winter, as well as problems from the road haulage strike.

Sir Richard Cave, the chairman, says, that "none of these short term problems has lessened our resolve to encourage continued investment in capital equipment to the level required for the future."

Earnings per 25p share are shown as 55.1p (52.1p) and the dividend is stepped up to 13p (11.45p) with a net final of 9.4p.

An analysis of profits, before finance charges, of £122.1m (£116.4m) shows (£m): UK companies including exports; consumer electronics £65.6m (£62.4m); domestic appliances £19.6m (£18m); lighting £10.4m (£10.9m), and engineering £12.8m (£14.1m). Of overseas companies, consumer electronics achieved £7m (£3m); domestic appliances £1.5m (£2.6m); lighting £3.6m (£3.2m), and engineering £1.6m (2.2m).

Gross cash flow from trading operations during the year totalled £186.4m against £162m last year, and capital expenditure came to £137.5m (£131.8m).

The chairman says there is an improvement in overseas results despite the strength of sterling. The directors are laying the base of a much expanded international business, particularly in the television rental subsidiaries and selective acquisitions in engineering.

	1978-79 £m	1977-78 £m
Turnover	1,324.3	1,191.9
Home	993.8	882.0
Overseas	330.5	309.9
Inter-divisional	116.2	100.0
External turnover	1,208.1	1,091.9
Trading profit	221.0	207.5
Depreciation	98.9	91.1
TV sets, etc.	74.6	70.2
Fixed assets	24.3	20.9
Financing charges	4.0	6.1
Profit before tax	118.1	110.3
Taxation	39.4	37.7
Profit after tax	78.7	72.6
Minority interests and prefs.	0.5	1.1
Extraord. debit	—	8.0
Attributable	78.2	63.5
Ordinary dividends	18.5	15.8
Retained	59.7	47.7

In the consumer electronics group the reorganisation of the manufacturing facilities for the production of colour television receivers has proceeded well and the first of the new range of sets based on advanced technologies are now in production, he states.

"Thorn Television Rentals" continues to operate in a very efficient manner. And, in addition to the steady progress in the new overseas rental subsidiaries, the group has acquired a majority shareholding in Locatel, a substantial French company with 179,000 rental customers.

At March 31, 1979, net overdrafts and short term borrowings, after deducting balances in hand, totalled £17.5m compared with £44.7m last year. UK cash balances in hand at year-end amounted to £10.1m (£10.3m overdrawn last year) and net borrowings overseas were £27.6m (£34.4m).

See Lex

Marston goes ahead to £4.5m

WITH second-half profits virtually static, the taxable surplus of **Marston Thompson and Evershed**, brewer, edged ahead from £4.16m to £4.5m in the year to March 31, 1979, on higher turnover of £26.5m, against £24.96m.

At midway, profits were up from £2.18m to £2.53m, but the directors said second-half results were unlikely to show a similar advance compared with the some period last time.

Full year profits were struck after increased depreciation of £845,613 (£593,376) which includes an extra £86,000 because of the properties revaluation. Tax took £1.88m (£1.9m).

The net final dividend of 1.6425p per 25p share lifts the total from 1.881p to 2.5p. Stated earnings are higher at 10.2p (8.9p).

Shipping side leaves Ellerman well down

FOLLOWING A slump from £4.07m to £745,000 at the halfway stage, **Ellerman Lines** finished 1978 with taxable profits more than halved from £8.2m to £3.7m. Turnover rose to £187m, against £163.1m.

Gains in the group's brewing, travel, industrial and investment operations were more than offset by shipping losses caused by the world shipping slump, and high finance charges resulting from the group's modernisation of its shipping fleet and breweries.

Mr. Dennis F. Martin-Jenkins, chairman, says the first half of the current year, traditionally weak, will produce a loss. He foresees little improvement for the shipping division, "but I hope we can prevent it from worsening."

He states that in the first quarter of 1979 trading revenue was seriously affected by the winter weather and industrial action. "And the recent oil increases will hit shipping, he adds.

Although he expects trading results of the other operations to be similar to 1978, he feels the final figures for the year may be lower, he says, because of the higher impact of debt repayment and considerably less income from selling ships.

Corporate expenses net of investment income took £713,000 (£652,000), and of the £6.27m finance charge for the year some £5.68m related to ships and £595,000 to other debts.

Severe competition and a reduction of freight rates to uneconomical levels left the group's shipping side with a £1m loss before the finance charges.

The directors say that it became apparent that previous estimates of shipping losses were inadequate, and as a result, £2.04m was excluded from results for 1978 and deducted from reserves at December 31, 1977.

Earnings on the £1 deferred ordinary shares—whole of the issued capital is privately owned—are given as 72p (179p) and the total dividend on the same is 6.79p (6.12p).

Town and City cuts deficit

BY ANDREW TAYLOR

Town and City *Properties*, which ran into serious problems with the collapse of the UK property market in 1973-74 is continuing its slow recovery with pre-tax losses last year further reduced to £13.9m.

This compares with a £17.3m loss in the year ending March 31, 1978, and a £25.3m loss two years ago.

The group's problems has been to reduce its massive debts, a legacy of the last property boom. A programme of disposals has reduced net borrowings from £317.6m in 1974-75 to £218.3m last year. This compares with current shareholders' funds of £68.4m against £142.4m four years ago.

Last year the group sold properties with a book value of £47m for £53m.

The picture has further improved since the year end with disposals raising a further £20m against properties with a book value of £7m.

Mr. Jeffrey Sterling, Town and City's chairman, *says* in the group's annual report published yesterday that the group has raised £345m from disposals since April 1, 1974—against properties with a book value of £321m.

He says that there remains "a satisfactory volume of sales in the pipeline."

Results for the year ending March 31, 1979, show a further reduction in interest payments down from £27.3m to £23.7m, reflecting the lower level of debt.

Net income from property on a reduced *portfolio* was £3.5m against £5.3m for the previous year. However, profits from the group's service industry division which includes machine tool distribution, warehousing and the Earls Court and Olympia exhibition business—rose from £3.9m to £6.5m.

Profits before interest payments were £9.8m, only slightly down on the previous year's £10m despite the further sale of properties.

The group has decided to discontinue its policy of charging development costs against reserves instead of against the profit and loss account and this, says Mr. Sterling, accounts for the apparent increase in losses per share to 3.09p against 2.94p.

He added that "new developments are currently being financed without financial exposure to the company."

Mr. Sterling concluded: "Your Board's short term objectives remain to reduce the Group's variable rate borrowings and to return to profitability although the level of interest rates clearly affects the timing in reaching these objectives.

"The increased income from reversions and new lettings, together with the effect of the disposal programme and the rising income from the service industry division are steadily taking us toward our goal."

The group is recommending a nominal dividend—at a total cost of £26,000—in order to maintain Town and City's trustee status.

See Lex

Hay's Wharf £4.78m rights to help support expansion plans

BY ANDREW TAYLOR

Proprietors of **Hay's Wharf**, the shipping to property group, yesterday launched a £4.78m rights issue to help support its £17.5m expansion programme.

The group had already earmarked £9m to be spent largely on its marine services division which is buying four new small coasters and four coastal and estuarine tankers.

Now Hay's Wharf is to spend a further £8m to expand both its wine and spirit bottling and document storage business, as well as extending its North Sea supply operations.

The group is also recommending a 14.9 per cent increase in net dividends to 6.35p for the year ending September 30, 1979, and a further 13 per cent increase to 7.21p next year.

Hay's Wharf forecasts that taxable profits before depreciation will be at least £5.15m this year, compared with last year's comparable figure of £4.6m.

Shareholders are being offered one new share at 115p for every four held. On news of the issue, however, the group's share price fell from 158p to 140p. The Kuwait Investment Office controlling a 32.7 per cent stake in Hay's Wharf has said it will take up the rights offer which has been underwritten by Morgan Grenfell. Brokers to the issue are Rowe and Pitman.

In addition to the rights issue Hay's Wharf has already announced details of £5.8m of shipbuilding loans at subsidised interest rates. It also anticipates Government grants of £1.5m over *three years to help finance* expansion plans.

Further cash may be raised from the disposal of surplus properties which the group says will continue, assisted by the Government's recent decision to repeal the Community Land Act.

Hay's said that, to contain future borrowings, any further *money needed to finance its expansion programme will be* found from cash flow.

However, shareholders' approval to increase the group's authorised share capital from £21m to £26m is needed before the rights issue can take place. An EGM is to be held on July 30.

Sir David Burnett, Hay's chairman, concluded: "In the absence of industrial unrest, such as experienced last winter, the prospects for the group's trading divisions next year appear good —with recent acquisitions making a full-year contribution to profits for the first time."

Second half pick up gives ADP £113,000

As forecast profits of **Amalgamated Distilled Products** improved in the second half. The taxable surplus for the year to March 31, 1979, advanced from £96,861 to £112,775 on turnover down from £14.1m to £13.6m.

At midway *profits declined* from £92,650 to £10,351. The directors then said the results reflected the poor trading performance of Robert Porter and Company, which made a £76,000 loss. They forecast that a good second half would lift the year-end profits.

Profit from current operations at the end of the year rose from £469,334 to £537,488. The taxable surplus was struck after a £113,996 trading loss (£45,761 profit) from Robert Porter but the profit on the sale of Porter assets was £131,385. Porter's domestic beer business was sold on March 1, 1979, at a net cash benefit of about £550,000.

Dividends absorb £49,480 (£49,035) leaving a retained surplus of £171,802, against a £87,432 loss.

A final dividend of 0.5p net per 10p share pegs the total dividend at 0.75p.

Turnbull Scott losses increase to £2.2m

Turnbull Scott Shipping suffered pre-tax losses of £2.2m in the period from February 1, 1978 to March 31, 1979 on turnover *of £9.76m. In the previous* year the group turned in taxable losses of £1.17m on £6.8m turnover.

The final dividend is halved to 2p net to cut the total from 8p to 6p. Stated loss per £1 share is up from 1.22p to 2.24p.

At midway the taxable loss deepened from £264,000 to *£411,000*.

The year-end pre-tax loss was struck after higher interest charges of £757,000 (£136,000), depreciation up from £1.27m to £1.96m and associated losses reduced from £333,000 to £55,000.

Tax on an SSAP 15 basis takes £27,000 (£41,000). The attributable loss is down from £1.46m to £1.14m after extraordinary items *comprising the surplus on ship* disposals £822,000 (£497,000) and other credits £271,000, against debits of £748,000.

BARCLAYS BANK

Barclays Bank is to set up a group insurance industry department to develop the bank's connections with the insurance industry, in the UK and overseas.

The new department will operate in an advisory capacity and will not be concerned with the day-to-day insurance business undertaken by other parts of the group.

A. B. Foods on target at end of first quarter

After again setting its budgets for real profit growth all major divisions of **Associated British Foods** were on target at the end of the first three months, chairman Mr. Garry H. Weston told the annual meeting.

After increasing its dividend total by 10 per cent under current legislation for the past year the directors have decided to pay an additional dividend, of 0.3114p a 5p share, he added.

This dividend would be payable on December 3, and would mean that shareholders would receive in the 1979 calendar year a total of 2.9p. With the associated tax credit, this represented a further increase of some 12½ per cent over the rate of dividend in 1978.

The directors also anticipate paying dividends totalling not less than 2.9p in 1980.

On prospects Mr. Weston said the first and most important unpredictable factor is the harm industrial relations could do in the months ahead, not only within our group but outside it.

The second pressure came from the possible interruption in energy supplies and increases in its cost.

In spite of everything done to save usage, by the end of this financial year group energy costs, in this country alone, would have increased by £10m over the preceding 12 months.

"Estimates already show that they are likely to rise by further very substantial amounts next year."

Third was the strength of the pound. Appreciation of sterling since the end of March meant that "for the three months to date we need to earn an additional £600,000 overseas to give us the same sterling profits as were earned in the same period last year."

As regards Fine Fare, Europe's largest supermarkets group, "we are structured on a much firmer basis than ever before and are continuing to see the benefits in better sales and profits," Mr. Weston said.

Debenhams sales up 15% after pre-Budget boost

CURRENT SALES at **Debenhams** had been distorted by the pre-Budget spending spree, Sir Anthony Burney, chairman, told shareholders at the annual meeting. During one week, sales were almost double last time, but since then they had fallen off.

The cumulative position to July 7 showed total sales 15 per cent higher. Department stores were over 20 per cent up.

Food sales showed a 6 per cent rise, the chairman said. But the margin had increased considerably since the year-end, and a profit—albeit not a large one—was expected from this division in the current year.

Greens, the photographic retailing business, was taking longer to put right than anticipated. But the chairman was confident that, in the long term, it would prove a valuable asset.

The group had been criticised in the past about its policy of entering into sale and leaseback transactions on certain trading properties, the chairman said.

"I believe this to be totally untrue," *he continued.* "During the past five years we have raised £47.5m from sales of property and have invested £92m, of which some £37m has gone into new developments."

The chairman also referred to profits being realised from new trading developments. It was not always appreciated that building a new store may take five years before it showed a substantial contribution to profitability, he said. While last year profits from new trading developments were only about £1m, this figure would now begin to show a substantial increase year by year.

Rowlinson planning £2.5m sales to peg borrowing

A NUMBER of sales are planned by **Rowlinson Construction Group** which should benefit both profits and cash flow, says Mr. P. J. Rowlinson, the chairman. Income from this source should be around £2.5m which should enable the group to finance its current year programme without further additional borrowing, he tells members in his annual statement.

At the year end, group bank *loans and overdrafts* were substantially higher, with respective jumps from £96,250 to £1m, and from £0.5m to £1.68m.

The group is continuing to expand its industrial developments and is expected to substantially increase its number of retained properties, Mr. Rowlinson states.

The Board intends to build up the group's property portfolio of industrial and commercial properties, thereby increasing investment income and giving it a sounder asset base.

As reported June 14, pre-tax profits plunged from £996,835 to £55,868 for the year ended March 31, 1979. *Although a substantial* reduction was expected as the group built up a good class industrial portfolio, bad weather and transport problems resulted in a second half loss.

Results due next week

In a fairly busy week for company announcements, **Rank** and **Gestetner** will be showing how *the office equipment has* performed over a difficult trading period.

Analysts are expecting a dull first half from the **Rank Organisation**, which announces interim figures on Monday. A modest performance has been foreshadowed by the chairman in his annual statement and estimates range from £60m to £65m with much of the difference accounted for by varying currency benefit predictions. Last year Rank had made £57.6m at the half way stage. Rank Xerox, the traditional growth area, is likely to have had a pedestrian six months with a fall in real prices not fully met by cost control. The *non-Xerox side will have suffered* from poor weather and the haulage strike so margins here will remain low. The benefit of the Toshiba link-up has not fully shown through yet, while hotels and property are hardly sparkling.

Only optimistic analysts are expecting Gestetner to match last year's first half profits of £13.6m pre-tax when it announces interim figures on Wednesday. Almost all forecasts are below this, ranging down to £12m. Trading conditions have been difficult, with office equipment prices almost static in most markets. Doubts have been expressed about the competitiveness of the group's stencil duplicator machines—*still* the kernel of the business—and offset equipment sales are being squeezed by **Xerography**. Against this thorny trading background has come the rise in sterling, of overriding importance for a group which sells 90 per cent of its products abroad and much of it in areas, like France, against which exchange movements have been very sharp. Gestetner has, however, ridden through currency problems with resilience before now and the impact will be dulled a little by the high proportion of overseas purchases it makes for its supplies business.

Analysts are looking for a strong improvement in profits from **Lloyds Bank**, which announces interim figures on Friday, though forecasts vary widely—from £119m to £131m. This compares with £76.5m in the first six months of last year, but the improvement is more modest if set against second-half profits of £105.8m. The mainstay of growth will clearly have been the domestic sector. Lloyds has a level of current accounts and so is particularly well placed to take advantage of base rates. More uncertain is the international sector which has been recording slow profits growth recently. The strength of sterling and tight margins on foreign lending will have taken their toll. As the first clearing bank to report since dividend controls were lifted, Lloyds carries the burden of setting a trend. It certainly has the scope to double its payment and keep a respectable cover but analysts believe it will prefer to tread softly.

This year has been one of consolidation for **Distillers**, which announces preliminary results on Thursday, and pre-tax earnings should have risen only slightly faster than inflation. Analysts are expecting between £180m and £184m which compares with £162.5m last year. The group has benefitted from recent price rises in Britain and the U.S. but some of this will be offset by the impact of sterling's firmness on export margins. The year-end is in March, however, so the severest export difficulties will not show up until the next interim figures are published later this year. Fully-taxed cover is almost three times but the dividend rise could be fairly conservative as the group needs to retain income for stock financing and possibly in order to widen its UK product base.

A full-year profit figure of between £38m and £43m pre-tax is expected for **Unigate**, which announces preliminary results on Thursday. This compares with £31.5m last year. Interim profits were up strongly from £9.5m to £15.1m but the company warned that this rate of growth was unlikely to be maintained over the full year. The haulage strike must have had some impact on margins and, while the overseas trading performance is generally good, the group's U.S. investments are not up to scratch. Imports of cheese and meat from the EEC have been falling, which is good news, but the figures will show no benefit from the latest green pound adjustment. The milk division should again make a solid but unspectacular return and there is some impetus for growth in the reorganised meat sector.

Following a 28 per cent rise in pre-tax profits to £14.1m at the interim stage, Dowty looks set for between £31m and £34m for the full year compared with £25m last year. The group's results are due on Thursday and should show significant growth in the arms and defence division—with *benefits from the MRCA* programme beginning to feed through. Foreign exchange movements may take some gloss off mining equipment earnings, even though a high proportion of business is invoiced in hard currencies, but some analysts have been revising upwards their forecasts for the industrial division, which should compensate. Dividend cover was around four times on fully-taxed earnings last year and the yield is weak so a doubled final dividend is possible.

Other companies of note next week include Montague L. Meyer with full year results and Alexanders Discount with its interim, both on Monday. Tuesday sees the preliminary from Magnet and Southerns while on Wednesdas MFIy' 12 months profits represents the retail sector and full year profits are also out for Illingworth Morris along with half timers from Union Discount and Birmid Qualcast. On Thursday Fodens reveals full year figures and on Friday Initial Services will be reporting.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDEND				
Allied Colloids	Tuesday	0.577	1.117	0.644
Allnatt London Properties	Thursday	1	3.3	1
Associated Leisure	Monday	1.3	1.71855	1.5
Astra Industrial Group	Thursday	0.363	0.76334	0.405
Atlantic Assets Trust	Thursday	—	0.4	—
Bonlox Holdings	Thursday	—	—	—
Black Arrow Group	*Tuesday*	*0.6*	*1.0*	*0.7*
Braham Miller Group	Wednesday	0.54545	0.92027	0.6
Brotherhood (Peter)	Tuesday	1.815	4.6216	[illegible]
Common Market Trust	Friday	—	34.0	—
Crown House	Monday	1.1	2.28	2.0†
Derbyware	Thursday	2.1125	3.30688	2.1125
Distillers Company	Thursday	2.695	[illegible]	3.0
Dowty Group	Thursday	2.21	[illegible]	2.5
Fodens	Thursday	—	3.36	—
Hampton Trust	Monday	—	—	—
Haslemere Estates	Thursday	1.0	2.30307	1.1
H.A.T. Group	Tuesday	0.75	0.7387	[illegible]
Heron Motor Group	Tuesday	0.68	[illegible]	0.8
Hogg Robinson Group	Tuesday	2.42	1.72	2.7
Hollis Bros. and E.S.A.	Thursday	1.17975	3.3086	1.298
Illingworth Morris and Co.	Wednesday	0.5	0.984	0.55
Initial Services	Friday	1.25	3.32467	1.5
Jones, Stroud (Holdings)	Tuesday	1.8	[illegible]	2.0
Lynton Holdings	Friday	1.2	1.28	1.2
Magnet and Southerns	Tuesday	[illegible]	[illegible]	[illegible]
Meyer (Montague L.)	Monday	1.7	2.97311	2.0
MFI Furniture Centres	Wednesday	0.99	[illegible]	2.198
Moorgate Mercantile Holdings	Thursday	—	Nil	—
Negretti and Zambra	Thursday	—	3.6338	—
Nova (Jersey) Knit	Friday	0.5	1	1
Oil and Associated Investment Trust	Tuesday	0.5775	1.518	0.58625
Priest (Benjamin) and Sons (Holdings)	Wednesday	1.26561	4.07521	1.474
Ratners (Jewellers)	Monday	0.22755	0.19914	0.8375
St. Georges Laundry (Worcester)	Thursday	0.28	0.28	0.28
Stroud Riley Drummond	Tuesday	0.5	1.0	0.5
Sylinne	Wednesday	1.4	4.2235‡	1.5633
Trafford Carpets (Holdings)	Tuesday	1	0.675	1
Trustees Corporation	Thursday	1.5	3.35	1.8

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Unigate	Tuesday	1.32	2.105	1.5
Vinten Group	Monday	0.33333	0.63333	0.5
Vita-Tex	Wednesday	1.2	2.3	1.8
Wallis Fashion Group	Friday	0.25	0.75	1
Western Board Mills	Wednesday	1.2	2.5	1.4
INTERIM DIVIDENDS				
Alexanders Discount Company	Monday	4.5	11.501	
Bensfords	Tuesday	0.7747	2.037	
Birmid Qualcast	Wednesday	1.5	3.476	
Boothers Engineers	Tuesday	2.25	2.895	
Carliol Investment Trust	Friday	1.5	3.0‡	
Gestetner Holdings	Wednesday	2.125	[illegible]	
Glasgow Stockholders Trust	Friday	1.0	1.85	
Glass, Glover Group	Tuesday	0.2816	1.2103	
Greenfriar Investment Company	Thursday	—	1.65	
Habit Precision Engineering	Wednesday	[illegible]	1.65	
Jamesons Chocolates	Thursday	0.875	2.758	
Lloyds Bank	Thursday	4.635	5.5137	
Lowe (Robert H.) and Co.	Monday	1.33	3.025	
Meggitt Holdings	Monday	0.2211	0.4195	
Meldrum Investment Trust	Tuesday	0.75	1.35	
Parambe	Thursday	—	0.4	
Rank Organisation	Monday	4	[illegible]	
Romney Trust	Thursday	0.8	2.2	
Tyneside Investment Trust	Friday	1.5	2.834	
Union Discount Company of London	Wednesday	6.375	11.282	
Wearra Group	Monday	0.447	1.012	
Yule Catto	Tuesday	—	1.54	
INTERIM FIGURES				
Deeson Holdings	Monday			
Lowland Investment	Friday			
McMullen and Sons	Tuesday			
Updown Investment Company	Friday			
West Coast & Texas Regional Inv. Tst.	Friday			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Including second interim. ‡ Second interim.

BIDS AND DEALS

Reed Intl. sells S.A. subsidiary

Reed International is progressing with its detachment from South Africa. Yesterday it announced the sale of its South African stationery manufacturing operations to the Dickinson Robinson Group for £3.6m.

The announcement comes only five weeks after confirmation of the £10m sale to Union Corporation of the Stanger pulp and paper subsidiary.

Dickinson Robinson will pay the £3.6m in cash over three years with 25 per cent on completion.

MIDLAND/ASF

The acquisition of Associated Securities Finance by Midland Bank has been completed following the necessary Government approvals.

Agreement was reached on June 1 for the purchase of ASF the finance company subsidiary of Associated Securities. With headquarters in Sydney, ASF operates throughout Australia and has a staff of over 400.

DIXOR-STRAND

Dixor-Strand has received acceptances in respect of 487,500 ordinary shares of R. J. D. Hewitt (96.4 per cent). Offer is now unconditional and remains open until further notice. Separate cash offer by Laurence Trust is now closed.

Pentos agreed offer for Caplan Profile

Pentos, the publishing, construction and leisure group, has made an agreed bid for Caplan Profile, the office furniture and expanded polystyrene manufacturer. Before the announcement of the bid the deal placed a value of £7m on Caplan.

Caplan shareholders are to be offered 4.7 ordinary shares of Pentos, or 4.7 deferred ordinary shares of Pentos for every three shares in Caplan that they own.

Pentos explained the logic behind its move yesterday. The group said that a subsidiary, Pentos Construction has recently re-entered the furniture supply market. "*It is expected that* Pentos Construction will become an important customer of Caplan."

For the full year to August 31, 1979, Caplan has forecast pre-tax profits of £1.4m and the making of the Pentos offer is conditional on the forecast being included in the formal offer document. In its last *reported* financial year Caplan made taxable profits of £1.1m.

Its half year results for the six months ending in February 1979 showed pre-tax profits of £0.81m, compared with £0.52m.

Caplan directors have accepted the offer in respect of their own shareholdings which represent 41 per cent of the total.

But Pentos has received total agreements for the acceptance of the offer of over 50 per cent.

Industrial and Commercial Finance Corporation currently own 400,000 11½ per cent partly convertible redeemable cumulative preference shares of £1 each, of which 325,000 are convertible into 750,000 ordinary shares in Caplan. ICFC is to convert prior to the formal offer document being dispatched. In addition Pentos is to make a separate offer to ICFC for the balance of 75,000 preference shares in consideration of 88,000 ordinary shares in Pentos.

After the conversion ICFC is planning to accept the Pentos offer and the separate offer for the 75,000 residual preference shares.

ICI acquires options for Robintech stake

I.C.I. Americas Incorporated, the U.S. subsidiary of Imperial Chemical Industries, has acquired options to buy a 32 per cent interest in **Robintech**.

The shares would be acquired from Bradford G. Corbett, Robintech chairman, and five other stockholders, all of whom are directors, and from Chemische Werke Huels AG of Marl, West Germany, which holds 19 per cent of Robintech.

Robintech said the options give ICI Americas the right to acquire the shares at $16.50 each. ICI will be required to make a $8m subordinated loan to Robintech as a condition to exercise of the options.

Robintech said a $5m accounts receiveable agreement with ICI will end on August 31. Principal on the loan will be repayable in 13 semi-annual instalments.

The note will be convertible to Robintech common at $16.50 a share before September 1, 1980, and at higher prices thereafter, Robintech said.

Robintech also said it is completing talks with ICI on a long-term contract by which ICI will supply part of Robintech's annual vinyl chloride monomer and polyvinyl chloride resin requirements.

ICI Americas makes chemicals, plastics, petrochemicals and pharmaceuticals. Robintech makes plastics.

SANGERS/CCST

J. E. Sanger has disposed of its 75 per cent interest in CCST Commodities (CCST) for £81,000 cash.

The majority of the Sanger shares in CCST—equivalent to 60 per cent of CCST's share capital—have been acquired by Cumulus Investment Trust. Of the balance, 10 per cent has been acquired by Duncan Lawrie, a merchant bank in the Walter Duncan and Goodricke Group and 5 per cent by Bowcroft Securities, a private investment company.

PMA profit forecast

PMA Holdings, which is making an agreed bid for Harris Lebus, has estimated pre-tax profits of *£400,000 for* the year to March compared with £173,000 for the previous year.

The estimate is included in the offer document accompanying its bid and does not include the forecast profit from the recently acquired Ladyship and Skelham groups which, PMA says, will be around £500,000 for the four months to the end of July, or £1.19m for the 12-month period.

PMA is offering its shareholders a 2.5p net dividend for the year to last March—after 1p the year before—but in the current year it intends to double this again to 4.02p as a sweetener for the rights issue made in connection with the Ladyship/Skelham offers.

Lebus profit figures are not so rosy and there is no interim dividend. Mr. Oliver Lebus, the chairman, tells shareholders that last year's trading difficulties have continued over into 1979 and first half losses have amounted to £363,000. There have, however, been temporary employment subsidies of £303,000 by way of compensation.

AURORA HOLDINGS

Aurora says that at the general meetings, the resolutions necessary to enable offer for Edgar Allen Balfour to be implemented were passed. Aurora has been told that admission of the new Aurora shares to the official list has been granted, subject to the offer becoming fully conditional.

MERSEY DOCKS

The directors of Mersey Docks and Harbour Company say that negotiations with Merseyside County Council concerning the future of the south docks have now reached an advanced stage but the *company says it is still* too early to say what the outcome may be.

LONDON AND EUROPEAN

London and European, the property and investment group, said yesterday that it was holding talks which could result in the sale of one of its major subsidiary operations. A further announcement would be made as soon as possible.

Bankers, Guinness Mahon, acting on behalf of the group, said that no further information could be disclosed at this stage.

ASSOCIATED TEA

London and Continental Advertising, an advertising contractor, is to go public through a £1.2m reverse takeover of Associated Tea Estates of Ceylon, one of the M. P. Evans family of companies.

Associated Tea will issue 15m shares at 8p to acquire LCA. These will dwarf Associated Tea's existing *share capital* of 205,560 shares. So, in accordance with the Take-over Code, an unconditional offer will be made for the existing shares of Associated Tea at 8p per share.

The deal is conditional on the shareholders of Associated Tea voting an increase in share capital and amendments to the Memorandum and articles of association at an EGM. A circular will be sent to shareholders in the next few days. Meanwhile the Stock Exchange has been asked to suspend dealings in Associated Tea shares in the unlisted securities market.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
[illegible]	0.53	—	0.33	1.08	0.33
Amalg. Distilled	0.5	—	0.25	0.75	0.75
Coghlans	15	—	12.9	15	12.9
Marston Thompson	1.64	Oct. 6	1.11	2.5	1.88
Fredk. Parker ....int	2.48	Aug. 2	2.48	—	8.99
Thorn Elect.	9.4	Oct. 5	8	13	11.45
Turnbull Scott	2	—	4	6	8

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Profits of 355 companies for 1978 show rise of 9.2%

BY NICHOLAS COLCHESTER

THE first analysis of the results of companies whose business year ended at or around the end of 1978 shows that the trading profits of the 355 industrial companies involved rose by 9.2 per cent over their results a year earlier. Thanks to a lower proportion of profits deducted in tax, their earnings were up 15 per cent.

It is interesting to note that despite dividend restraint, which should in theory have limited dividend increases to roughly 10 per cent per year, these industrial companies managed to pay out 18 per cent more in dividends than they had for the year 1977.

The net capital employed by the industrial companies survey rose by 11 per cent, roughly in line with inflation, with the result that the return on capital, before tax and interest charges, was roughly unchanged at 17.4 per cent.

The 103 financial companies included in this preliminary survey showed a 21.9 per cent increase in trading profit, and an increase of 40 per cent in attributable profit. The driving force here were six commercial banks whose earnings were up by no less than 64 per cent, partly because of accounting changes.

The contribution to this section of the eligible insurance companies show a 19.3 per cent increase in earnings.

Between them the figures from banks and insurance companies overwhelm the other contributors to financial profit, including the four merchant banks and discount houses (an insignificant sample) whose reported earnings were down by 29 per cent.

Among the industrial companies, and taking only the sectors in which a significant number of companies were reviewed, the motor distribution business stands out with 15 companies showing an average earnings increase of 71 per cent. The leisure, publishing, and contracting/construction industries all show gains of around 40 per cent at the attributable profit level.

In contrast, the nine shipping companies whose balance sheet dates fell at around the end of the calendar year had a notably rough ride. Their attributable profits fell by 44 per cent, after a decline of 9.6 per cent at the trading level, with the difference accounted for by their expensive gearing.

This group also produced the lowest overall dividend rise of 3 per cent. Other groups which fared badly were motors and components, where the poor figures from Dunlop helped pull earnings down by 28 per cent, and the electronics, radio and TV businesses. But in both cases only a small number of companies were eligible for this survey.

The Financial Times gives below the table of company profits and balance-sheet analysis. This covers the results (with the preceding year's comparison in brackets) of 474 companies whose account year ended in the period between Oct. 15, 1978, and Jan. 14, 1979, which published their reports up to the end of May, 1979. (Figures in £000.)

INDUSTRY	No. of Cos.	Trading Profits (1)	% chnge	Profits before Int. & Tax (2)	Pre-tax Profits (3)	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	33	489,828 (440,180)	+11.3	348,391 (325,396)	297,891 (282,853)	106,090 (106,584)	178,449 (153,675)	+16.1	58,455 (48,442)	+20.7	252,552 (205,516)	2,187,264 (1,919,634)	15.9 (15.9)	603,905 (552,564)
CONTRACTING & CONSTRUCTIONS	24	316,321 (267,816)	+17.7	231,406 (203,276)	202,269 (176,908)	70,155 (85,395)	125,877 (86,574)	+45.4	19,860 (11,895)	+66.7	179,373 (154,804)	1,160,331 (1,029,387)	19.9 (19.8)	426,026 (357,019)
ELECTRICALS (EX ELECTRNL ETC.)	8	106,544 (90,704)	+16.4	79,607 (67,873)	68,260 (56,290)	29,032 (25,325)	39,469 (23,812)	+22.7	13,350 (11,690)	+13.2	40,254 (35,245)	416,320 (421,932)	19.0 (18.1)	156,493 (127,341)
ENGINEERING	67	1,060,409 (993,506)	+6.7	847,034 (775,066)	712,690 (646,568)	235,485 (248,471)	445,008 (376,336)	+18.1	129,251 (110,359)	+17.1	509,852 (433,088)	5,263,693 (4,672,734)	16.1 (16.6)	2,187,619 (1,949,347)
MACHINE TOOLS	4	8,102 (7,565)	+6.8	6,390 (5,996)	5,861 (5,148)	2,645 (2,535)	2,993 (2,387)	+25.4	811 (771)	+5.1	3,423 (2,876)	28,809 (30,682)	22.2 (19.5)	19,249 (16,040)
MISC. CAPITAL GOODS	13	78,300 (71,323)	+9.8	60,616 (57,836)	54,550 (51,508)	18,340 (25,405)	36,722 (24,351)	+50.9	10,207 (7,936)	+28.6	42,677 (28,269)	366,616 (318,877)	16.5 (18.1)	175,298 (167,528)
TOTAL CAPITAL GOODS	146	2,057,504 (1,871,814)	+10.0	1,568,345 (1,436,073)	1,339,051 (1,219,263)	460,747 (493,815)	816,818 (667,416)	+22.3	231,814 (191,091)	+21.3	1,028,121 (837,801)	9,395,035 (8,393,246)	16.7 (17.1)	3,570,590 (3,149,559)
ELECTRONICS RADIO & TV	5	53,899 (55,165)	−2.7	40,938 (43,540)	37,878 (40,560)	17,688 (16,399)	19,599 (23,713)	−17.3	7,481 (6,696)	+11.7	23,900 (27,836)	244,642 (232,282)	16.7 (19.5)	125,124 (118,348)
HOUSEHOLD GOODS	16	45,233 (43,812)	+3.2	33,631 (34,913)	28,881 (31,280)	11,878 (15,824)	16,547 (15,258)	+8.4	6,432 (5,842)	+10.1	20,272 (18,257)	236,068 (216,564)	14.3 (16.1)	134,068 (129,909)
MOTORS & COMPONENTS	6	146,791 (146,646)	+0.1	98,420 (103,998)	56,754 (70,226)	26,394 (29,595)	20,431 (28,272)	−27.7	10,368 (9,494)	+9.2	58,092 (61,716)	852,065 (883,613)	18.2 (11.8)	348,350 (355,769)
MOTOR DISTRIBUTORS	15	101,668 (76,887)	+32.2	78,247 (60,266)	59,991 (45,037)	13,173 (17,532)	46,093 (26,953)	+70.9	9,469 (6,947)	+36.3	38,130 (33,833)	399,896 (318,936)	19.1 (18.9)	125,076 (104,354)
TOTAL CONSUMER DURABLES	42	347,591 (322,510)	+7.7	249,236 (242,719)	183,182 (187,733)	69,633 (79,350)	102,670 (94,205)	+9.0	33,750 (28,979)	+16.5	160,394 (141,642)	1,831,661 (1,641,395)	17.7 (14.8)	732,618 (689,375)
BREWERIES	1	3,655 (3,398)	+4.6	3,175 (3,134)	2,094 (2,067)	1,028 (1,619)	2,066 (1,447)	+42.8	658 (589)	+11.7	1,651 (1,011)	26,752 (12,541)	11.9 (25.0)	−612 (465)
DISTILLERS & WINES	5	9,354 (7,531)	+24.2	8,208 (6,589)	6,073 (4,040)	1,014 (1,682)	5,065 (3,250)	+55.5	980 (865)	+9.8	4,974 (3,076)	55,746 (39,879)	14.7 (16.8)	20,051 (14,554)
HOTELS & CATERERS	4	90,580 (72,695)	+24.6	75,209 (57,781)	57,179 (39,204)	22,920 (13,245)	32,735 (25,235)	+29.7	10,927 (8,459)	+29.2	36,001 (30,547)	535,615 (428,165)	14.0 (13.5)	54,971 (19,207)
LEISURE	10	107,945 (74,189)	+44.5	93,110 (69,743)	81,434 (57,428)	36,224 (25,552)	43,610 (30,329)	+44.4	14,082 (9,856)	+42.9	42,193 (27,438)	387,945 (320,629)	24.0 (31.6)	−18,531 (12,678)
FOOD MANUFACTURING	10	659,855 (624,225)	+7.3	559,756 (524,093)	497,774 (470,587)	216,349 (223,462)	269,992 (231,258)	+16.7	65,531 (55,275)	+18.5	309,715 (272,716)	2,701,718 (2,387,836)	20.7 (21.9)	1,049,892 (1,100,061)
FOOD RETAILING	4	12,738 (10,455)	+21.8	10,057 (8,326)	9,742 (8,263)	3,100 (3,757)	6,637 (4,401)	+50.8	1,143 (960)	+19.1	7,618 (6,035)	45,048 (36,416)	22.3 (22.9)	11,992 (10,768)
NEWSPAPERS AND PUBLISHERS	11	68,496 (55,835)	+22.7	57,947 (46,019)	48,599 (37,544)	20,474 (16,427)	27,632 (20,286)	+36.6	5,681 (4,869)	+16.7	30,817 (23,354)	249,308 (221,568)	23.2 (20.8)	95,992 (69,957)
PACKAGING AND PAPER	8	98,416 (89,532)	+10.0	64,928 (64,650)	55,121 (54,709)	21,877 (20,890)	31,116 (31,617)	−1.6	11,339 (10,516)	+7.8	45,680 (43,301)	415,965 (352,749)	15.7 (18.3)	152,470 (158,241)
STORES	3	7,926 (5,111)	+55.1	6,894 (4,296)	5,696 (3,849)	1,962 (2,006)	4,537 (1,740)	+160.7	799 (705)	+13.3	4,363 (1,484)	18,163 (9,996)	38.0 (43.0)	5,866 (2,332)
CLOTHING AND FOOTWEAR	20	61,470 (55,447)	+10.9	49,436 (45,044)	46,106 (40,014)	14,973 (15,907)	29,436 (23,676)	+24.3	5,886 (4,934)	+19.3	32,735 (26,557)	219,016 (191,422)	22.6 (23.5)	186,937 (106,700)
TEXTILES	12	48,017 (45,874)	+4.7	34,350 (33,896)	26,758 (23,425)	5,268 (5,147)	19,357 (17,673)	+9.5	5,863 (4,996)	+17.3	25,958 (24,657)	255,666 (249,545)	13.4 (13.3)	125,896 (119,515)
TOBACCO	1	201,005 (204,205)	−1.6	165,463 (171,135)	131,084 (129,119)	29,786 (27,946)	100,993 (100,890)	+0.1	44,639 (39,975)	+11.7	90,170 (92,435)	1,134,942 (1,322,033)	14.6 (12.9)	300,972 (386,704)
TOYS AND GAMES	2	6,653 (5,221)	+27.4	5,366 (4,246)	4,756 (3,659)	1,853 (1,030)	2,904 (2,622)	+10.7	568 (477)	+19.1	3,338 (2,861)	21,800 (17,286)	24.6 (24.6)	9,858 (7,224)
TOTAL CONSUMER NON-DURABLES	89	1,385,293 (1,272,819)	+8.8	1,153,669 (1,038,270)	972,313 (875,307)	376,328 (356,669)	576,268 (494,334)	+16.6	168,066 (142,472)	+18.0	636,211 (554,494)	6,065,684 (5,490,149)	18.7 (18.9)	1,921,744 (2,008,400)
CHEMICALS	16	291,897 (247,265)	+18.0	228,851 (192,825)	199,091 (172,678)	67,736 (67,326)	125,730 (110,485)	+13.8	33,822 (28,475)	+18.8	142,896 (122,627)	1,097,229 (954,580)	20.8 (20.7)	413,026 (370,582)
OFFICE EQUIPMENT	9	227,451 (228,085)	−0.3	201,799 (205,086)	176,283 (176,255)	83,333 (76,671)	88,813 (95,576)	−7.1	23,104 (20,235)	+14.2	84,551 (92,512)	950,742 (848,166)	21.2 (24.2)	287,590 (183,256)
SHIPPING	9	234,255 (259,211)	−9.6	145,216 (176,388)	72,842 (116,126)	14,229 (18,340)	54,030 (95,776)	−43.6	25,425 (24,571)	+3.5	112,493 (147,087)	1,796,789 (1,764,914)	8.0 (10.0)	13,698 (39,307)
MISC. INDUSTRIAL	44	614,999 (522,271)	+17.7	493,549 (416,304)	369,719 (332,157)	134,541 (155,456)	211,960 (157,052)	+35.0	59,874 (52,236)	+14.6	265,278 (201,547)	2,475,665 (2,199,551)	19.9 (18.9)	681,848 (695,223)
TOTAL INDUSTRIALS	355	5,158,790 (4,723,376)	+9.2	4,018,886 (3,711,766)	3,509,841 (3,079,521)	1,206,547 (1,237,526)	1,976,009 (1,714,851)	+15.2	575,856 (488,069)	+18.0	2,429,874 (2,097,610)	23,612,815 (21,292,001)	17.3 (17.4)	7,561,114 (7,135,562)
OIL	8	5,134,274 (4,627,513)	+10.9	4,199,920 (4,044,812)	3,546,487 (3,597,480)	2,414,365 (2,709,067)	914,198 (906,766)	+0.8	184,410 (173,993)	+6.0	1,666,705 (1,308,709)	14,483,483 (10,914,781)	29.0 (37.0)	4,124,185 (3,892,785)
BANKS	6	1,796,853 (1,405,365)	+27.9	1,567,276 (1,238,078)	1,291,631 (1,018,588)	496,892 (526,478)	763,777 (458,775)	+64.3	116,875 (97,911)	+20.9	867,255 (524,884)	7,046,215 (6,334,896)	22.2 (25.1)	2,469,061 (2,276,198)
DISCOUNT HOUSES MERCHANT BANKS etc.	4	12,389 (17,109)	−27.6	— (—)	— (—)	— (—)	11,418 (16,118)	−29.2	5,182 (4,560)	+11.2	— (—)	2,074,531* (1,974,635)*	— (—)	−665,946 (−532,492)
HIRE PURCHASE	2	24,644 (21,371)	+15.3	25,292 (20,530)	13,408 (11,630)	6,670 (6,256)	6,707 (5,341)	+25.6	2,658 (2,354)	+12.9	5,019 (3,545)	152,494 (106,526)	15.3 (19.3)	63,448 (54,757)
INSURANCE	11	589,710 (499,541)	+18.0	— (—)	— (—)	— (—)	392,098 (328,552)	+19.3	154,770 (131,980)	+17.3	— (—)	17,107,355 (15,326,977)	— (—)	294,814 (324,341)
INSURANCE BROKERS	6	185,246 (165,667)	+11.8	151,919 (142,216)	125,406 (120,740)	61,512 (58,558)	62,106 (59,494)	+4.4	20,480 (16,871)	+21.4	70,953 (63,260)	1,548,648 (569,060)	11.3 (25.0)	174,482 (92,005)
INVESTMENT TRUSTS	56	94,556 (82,542)	+14.7	93,398 (81,387)	76,148 (65,334)	28,888 (25,554)	45,664 (39,160)	+16.6	43,346 (37,335)	+16.1	2,338 (1,857)	1,784,193 (1,614,705)	5.2 (5.0)	49,351 (21,604)
PROPERTY	12	112,794 (116,714)	−3.4	109,300 (113,883)	31,490 (26,252)	8,342 (7,916)	15,196 (11,936)	+27.3	8,086 (7,154)	+13.0	8,911 (6,082)	1,442,416 (1,459,414)	7.6 (7.8)	−13,493 (−15,641)
MISC. FINANCIAL	6	17,449 (15,961)	+9.2	15,302 (14,132)	11,095 (6,080)	3,561 (5,149)	6,860 (1,323)	[illegible]	1,052 (1,248)	+20.3	7,117 (1,166)	84,602 (79,214)	18.1 (17.8)	34,504 (33,786)
TOTAL FINANCIAL	105	2,833,741 (2,324,188)	+21.9	1,960,487 (1,607,228)	1,549,178 (1,249,624)	605,883 (629,904)	1,293,822 (920,527)	+40.5	354,399 (299,513)	+18.3	951,573 (600,725)	11,858,568 (9,163,815)	16.5 (17.5)	2,386,209 (2,254,556)
RUBBERS	1	5,768 (5,307)	+8.7	4,379 (4,172)	3,991 (3,914)	1,297 (1,286)	2,694 (2,628)	+2.5	433 (874)	−50.5	3,373 (2,644)	23,700 (15,298)	18.5 (27.5)	6,280 (−6,295)
TEA	1	161 (101)	+59.4	158 (99)	158 (99)	59 (36)	99 (63)	+57.1	85 (47)	+80.8	14 (16)	1,022 (1,013)	15.4 (9.8)	87 (95)
TIN	1	3,829 (4,805)	−20.3	3,478 (4,460)	3,478 (4,460)	815 (1,009)	3,046 (2,977)	−25.6	459 (430)	+6.7	1,912 (3,578)	11,823 (9,680)	29.4 (46.0)	5,609 (7,730)
MISCELLANEOUS MINING	2	27,166 (28,426)	−4.4	26,436 (27,581)	20,420 (22,049)	8,262 (8,445)	11,657 (13,014)	−10.6	6,734 (5,617)	+19.9	19,907 (7,142)	187,895 (214,596)	14.1 (12.8)	38,625 (43,801)
OVERSEAS TRADERS	3	32,849 (27,029)	+21.5	30,714 (25,583)	26,015 (23,245)	7,416 (11,445)	18,305 (11,574)	+58.2	3,511 (3,068)	+14.4	15,591 (9,067)	136,960 (104,681)	22.4 (24.4)	60,601 (51,528)
TOTAL COMMODITIES	8	69,774 (65,668)	+6.2	65,165 (61,886)	54,062 (53,757)	17,869 (13,776)	34,761 (29,956)	+16.1	11,222 (10,036)	+11.8	40,797 (21,447)	361,401 (345,257)	18.0 (17.9)	112,900 (109,451)

NOTES ON COMPILATION OF THE TABLE

The classification follows closely that of the Institute and Faculty of Actuaries, which has been adopted by the Stock Exchange Daily Official List.

Col. 1 gives trading profits plus investment and other normal income property belonging to the financial year covered. The figure is struck before charging depreciation, loan and other interest, directors' emoluments and other items normally shown on the profit and loss account. Excluded are all exceptional or non-recurring items such as, for example, capital profits, unless the latter arise in the ordinary transaction of business.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act, 1948.

Col. 2 gives profits before interest and taxation that is to say profits after all charges except loan and other interest, but before deducting taxation provisions and minority interests. In the case of Banks, no figure can be shown because of non-disclosure (see foregoing paragraph).

Col. 3 gives Pre-tax Profits that is to say profits after all charges including debenture and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporate taxation including Dominion, Colonial and Foreign liability and future tax provisions but excludes adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—

1—Minority interests.

2—All prior charges—sinking fund payments, etc., and Preference dividends and

3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses, insurances, etc.

‡ No figures given.

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

RESULTS AND ACCOUNTS IN BRIEF

ROBERT FLEMING HOLDINGS—Final dividend 7.5p making 12p (8.67p) for year to March 31, 1979. Pre-tax profit £8.51m (£5.51m), comprising merchant banking £4.41m (£3.7m) and investment trust £2.11m (£1.81m). Tax £2.68m (£2.24m) leaving £3.83m (£3.27m). Chairman says that for current year all departments are well placed to take advantage of additional business, especially so in banking sector. Investments £22.12m (£23.57m) with valuation £44.2m (£41.4m). Meeting, 8, Crosby Square, August 8, at noon.

EUCALYPTUS PULP MILLS—Results for 1978 already reported. Fixed assets £3.82m (£3.71m). Net current assets £1.33m (£1.83m). Bank loans and overdrafts £1.07m (£789,848). Chairman says first half results in 1979 are good. Both production and sales are record and profits to date reflect this. Meeting, Charing Cross Hotel, WC, August 9 at 12.30 pm.

RENOLD (power transmission products)—Results for year ended April 1, 1979, already known. Group fixed assets £89.33m (£83.41m). Net current assets £63.9m (£56.71m). Total net borrowings decreased £4.67m (£3.41m increase). Meeting, Manchester, August 2, at 2.30 pm.

MARLER ESTATES—Results for year to March 25, 1979 reported on July 10. Freehold and leasehold property £2.72m (£1.53m). Current assets £139,347 (£12,292). Current liabilities £411,323 (£216,024). Meeting, Hyde Park Hotel, SW, on August 3 at 11.30 am.

ANGLO ARGENTINE TRAMWAYS COMPANY—The company has received authority for proceeds of the Argentine Government capital bills paid this month to be treated as investment currency. The amount received from the bills will enable a special interest payment to be made of ½ per cent of the principal monies outstanding on first debenture stock at the date of the scheme of arrangement approved on May 12, 1967. This payment will be made on September 1, 1979, to those on record as first debenture stockholders on August 1, 1979.

RADIANT METAL FINISHING COMPANY—Results for the year ended February 28, 1979, already known. Group fixed assets £240,568 (£237,793). Net current assets £284,676 (£274,300). Meeting, 89, Fairfield Road, E., August 10, at 12.30 pm.

DUNDONIAN (public services, etc.)—Results for March 31, 1979 year already known. Group fixed assets £2.89m (£1.89m). Net current assets £646,432 (£410,488). Net liquid funds increased £7,135 (£238,855 decrease).

DEBENTURE CORPORATION—Pre-tax income half-year to June 30, 1979, £983,905 (£906,909). Tax £377,581 (£359,784). In circumstances of Airways Pension Scheme offer, now unconditional, no int. Expenses incurred in connection with the offer £131,880, not included above. Net asset value per share 95.2p (87.3p).

SCAPA GROUP—Results reported June 23. Fixed assets £25.1m (£18.5m). Net current assets £25.15m (£22.8m). Taxable profits on current cost basis £6.35m (£5.76m) after additional depreciation £1.76m (£1.28m), cost of sales £1.32m (£0.24m) and gearing adjustment £0.64m (£0.16m). Meeting, Blackburn, August 10, at 11.30 am.

THE WEEK'S COMPANY NEWS

Take-over bids and deals

Tesco Stores launched an agreed £19.4m bid at 150p per share cash for Cartiers Superfoods exactly a year after the Kent supermarket chain was floated on the Stock Exchange at 85p per share. Cartiers Superfoods consists of 17 stores and specialises in meat and frozen foods.

To alleviate the group's acute need for cash, EMI plans to sell half its interest in the music business to Paramount Pictures for around £62m. Paramount will obtain 50 per cent of a new joint venture containing EMI's loss-making music publishing and record operations and a small music publishing subsidiary of Paramount.

In an expansion move into the print industry, Dunlop made an agreed 185p per share cash bid for printing equipment manufacturer Hawthorn Baker. The offer, worth £1.2m, derives from the announcement in March that two major Hawthorn shareholders wished to dispose of their equity in the company. Kleinwort Benson had been instructed to find a buyer for the shares who could develop the business and extend the offer to other shareholders.

Burnett and Hallamshire the opencast mining and construction group, is substantially increasing its mining reserves through its expected bid for Mining Investment Corporation. The complex deal involves Mr. Alan Ferguson, one of Mincorp's directors, and the holder of 38 per cent of its equity, injecting his other coal mining and land interests into Mincorp for only £20,000. Burnett will then bid 95½p per share for Mincorp by way of a share offer which is to be conditional upon the enfranchisement of Burnett's existing A shares and a 1-for-15 scrip issue to ordinary shareholders by way of compensation. Following this, Mincorp's shareholders will be offered one new ordinary Burnett share for every four Mincorp.

Evode Holdings, the adhesives manufacturer, rejected a proposed £9.7m offer for the company. The shares will remain suspended as a number of other potential bidders have emerged.

Guthrie Corporation, which earlier this year staved off a bid from Sime Darby Holdings, wants to buy the minority of its 73 per cent-owned subsidiary Guthrie Berhad for S$18.5m (£3.8m). Guthrie see the deal as a tidying-up operation, but Guthrie Berhad has not yet decided on its response and in the meantime advises its shareholders to take no action.

Reckitt and Colman is expanding in the field of industrial cleaning by purchasing private concern Warwick Pump and Engineering for around £3.5m, while Tootal is buying 75 per cent of Bradgate Textiles in a deal worth £2.25m.

Tax problems and a possible Inland Revenue penalty of as much as £350,000 destroyed hopes of a partial merger between Tricoville, the clothing group, and Goetz, a Swiss group. Under the deal, Goetz was to have taken 40 per cent of Tricoville in return for injecting two of its German subsidiaries into the UK group.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
	Prices in pence unless otherwise indicated.					
Allen (Edgar)¶¶	69½*§	64	63	9.63	Aurora Hlds.	20/7
Bestobell	200*	202	206	26.3	BTR	2/8
John Bright¶¶	40½*	39	43	4.29	Largs	—
Caplan Profile	52	185	215††	2.34	Pentos	—
Cartiers	150*	144	134	19.4	Tesco	—
Farm Feed	95*§	92	94	1.08	Consortium	—
Finlas	182*§	175	175	1.33	Chailey Secs.	—
Gough Bros.	130*	129	71	4.30	Scottish & Newcastle	—
Hardy & Co. (Furnishers)	134½§§	134	114	8.83	Harris Queensway	27/7
Hardy & Co. (Furnishers) 'A'	124½§§	122	82	16.2	Harris Queensway	27/7
Hawthorn Baker	185*	178	135	1.2	Dunlop	—
James (J.)	83½	80	55	23.5	Wisty. Hughes	—
Jenks & Cattell	81†§	90	67	1.22	Armstrong Equipment	—
Lebus (Harris)	40½	40	35	0.87	PMA	3/8
Sekong Rubber	£16	£15	£10	2.40	Majedie Invs.	—
Sheepbridge Eng.	111	100	66	39.3	GKN	—
Silhonette	100	95	55††	2.00	Pawson	—
Silhonette 'A'	94	88	45††	1.10	Pawson	—
Wellman Eng.	65*§	63	68	6.03	Rdmn. Heenan	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on 13/7/79. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Airfix	Mar.	1,560†	(1,730)	4.1	(4.6)	3.66	(3.22)
Barker & Dobson	Mar.	926	(312)	1.1	(0.4)	0.41	(Nil)
British Building	Mar.	292	(260)	10.2	(13.7)	3.1	(2.68)
Bulmer (H. P.)	Apr.	2,515	(2,718)	19.6	(22.0)	7.66	(6.6)
Carclo Engrg.	Mar.	897	(974)	16.8	(13.2)	5.2	(3.0)
Christie-Tyler	Apr.	4,220	(1,810)	23.3	(8.9)	6.5	(4.8)
Daejan Hldgs.	Mar.	3,331	(2,474)	13.8	(10.3)	3.25	(3.0)
Downing (G. H.)	Mar.	1,830	(1,720)	28.8	(33.5)	7.75	(5.79)
Downs Surgical	Mar.	1,780‡	(877)	9.8	(4.0)	3.23	(2.33)
Elliott (E.)	Mar.	292	(247)	9.4	(9.8)	3.5	(2.16)
Graig Shipping	Mar.	232L	(554)L	—	(—)	4.0	(8.0)
Harris (Philip)	Mar.	1,150	(702)	24.3	(10.1)	5.0	(4.32)
Hollas Group	Mar.	1,541	(1,257)	11.1	(10.4)	5.23	(4.54)
Howden Group	Apr.	6,661	(4,901)	22.7	(15.2)	4.7	(4.09)
James (John) Gp.	Mar.	4,200	(3,360)	14.8	(9.3)	3.05	(2.75)
R. Kelvin Watson	Mar.	679	(555)	14.7	(12.1)	3.0	(2.38)
Latham (James)	Mar.	1,660	(961)	44.6	(22.3)	8.7	(7.54)
Lennons	Mar.	1,820	(1,480)	6.4	(5.1)	1.904§	(1.668)
Marling Inds.	Mar.	1,310	(899)	6.4	(4.4)	1.25	(1.03)
May & Hassell	Mar.	924	(321)	24.8	(3.5)	3.85	(3.06)
Mitchell Somers	Mar.	2,510	(2,730)	15.5	(13.0)	3.35	(1.57)
Nat. Carbonising	Mar.	34	(116)L	0.1	(—)	0.7	(1.33)
Rothmans	Mar.	98,200	(80,600)	30.6	(27.0)	2.45	(2.06)
Sturla	Jan.	16L	(93)L	—	(—)	Nil	(Nil)
S. & U. Stores	Jan.	3,006L¶	(532)	—	(2.8)	—	(—)
Textured Jersey	Apr.	873	(276)	12.4	(4.2)	3.0	(1.0)
United Gas	Apr.	2,521	(2,039)	15.2	(12.4)	4.5	(3.67)
Warner Holidays	Jan.	818	(617)	6.1	(4.3)	1.85	(1.28)
Wellman Engrg.	Mar.	1,030	(1,550)	5.6	(6.7)	2.67	(2.4)
Wigfall (Henry)	Mar.	1,850	(1,370)	30.1	(26.7)	13.5	(7.5)
Wood (S. W.)	Mar.	457	(69)	4.7	(—)	4.6	(4.29)
Wrighton (F.)	Mar.	491	(306)	4.6	(2.4)	1.08	(1.08)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Eurotherm Intl.	Apr.	1,150	(978)	1.5	(Nil)
Imperial Group	Apr.	68,000	(59,000)	2.75	(2.25)
Mackinnon	Apr.	37L	(222)	—	(—)
MacPherson (D.)	Apr.	2,030	(1,740)	1.5	(1.25)
Neil & Spencer	May	725	(386)	2.8	(1.16)
Status Discount	June	2,410	(1,620)	0.7	(0.4)
Thrml. Syndicate	Apr.	502	(202)	3.0	(2.0)
Watson & Philip	Apr.	400	(427)	1.0	(0.852)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.
* Adjusted for any intervening scrip issue. † Includes extraordinary credit £41,000 (£963,000 debit). ‡ For 15 months. § Forecast 2.21359p total. ¶ After write off £3.16m for possible losses on credit sales and HP debtors. L Loss.

Scrip Issues

Howden Group: One for two.
R. Kelvin Watson: One 10½ per cent preference share for every 10 held.
Marling Industries: One for two.

Rights Issues

W. Goodkind: One for one at 25p raising £0.25m†
Lennons Group: One for four at 30p each to raise £1.85m.
† Approximate figure before expenses.

CORAL INDEX: Close 461-466

Wall St off another 3.33

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—26¼% (29⅞%)
Effective $2.2290 8½% (11¼%)

THE DECLINE continued in active trading on Wall Street yesterday, when investors awaited President Carter's Energy Message set for Sunday night.

The Dow Jones Industrial Average dipped another 3.33 to 833.53, making a loss of 12.63 on the week, while the NYSE All Common Index, at $58.17, shed 21 cents on the day and 65 cents on the week. Declines led advances by a near two-to-one majority, while the trading volume expanded 1.26m shares to 33.16m.

Analysts said some investors were hesitant to buy stocks on the White House forecast on Thursday of a recession and double-digit inflation this year.

General Motors gave way $1¼ to $56—it reported a 23 per cent fall in early July car sales and said it would extend summer shutdowns at several plants because of slack sales of some car models. Ford eased $¼ to $41—early July sales dropped 11.6 per cent. Chrysler held *unchanged at $8¾—sales were off* 27 per cent in the first 10 days of July.

Active Bally Manufacturing lost $2¼ to $42⅞—Securities and Exchange Commission is investigating a filing covering a planned offering of shares of Bally's Park Place Inc.

Data Resources soared $14¼ to $47½ bid, Over-the-Counter, on McGraw-Hill's proposal to buy Data Resources for $50 a share.

THE AMERICAN SE Market Value Index recovered 0.48 to 196.09, reducing its loss on the week *to 4.38*.

CANADA — Markets closed mixed after an active afternoon rally yesterday, when the Toronto Composite Index finished 3.7 up at 1537.4 following a 12.3 fall to 1521.4.

Oil and Gas Index moved up 56.1 to 2630.0 and Papers firmed 0.72 to 167.50, but *Metals* and Minerals lost 1.8 to 1294.2

GERMANY — Most shares tended firmer in lively turnover. Bourses reacted favourably to Thursday's Bundesbank decisions to raise discount and Lombard rates as this removes uncertainty in the markets.

Public Authority Bonds put on up to 50 pfennigs while Bundesbank sold DM 100m of stock. Mark Foreign Loans maintained.

TOKYO—Sharply lower on massive liquidations, following uncertain economic outlook and *a possible rise in* Bank of Japan's Official Discount Rate. Volume 450m (460m) shares.

Export-Orientated Electricals, Vehicles and Cameras led fall.

Oils, Steels, Heavy Electricals lost ground. Arabian Oil shed Y140 to 4330. Nippon Oil Y20 to 1500.

Shippings generally higher, reflecting sharp recovery of World Tanker Market.

AUSTRALIA—Prices eased, with Telecommunications *crisis* dampening activity.

Many major Minings lower, but Sydney Retailer Nock and Kirby lifted investors' interest on its plans to restructure into a Property Trust and Holding company—shares closed at A$3.35-3.50.

PARIS—Market eased in quiet trading, affected by June rise in French adjusted unemployment and by holiday period slackness.

But Properties, Investments and Oils were mixed, Mechanical Engineerings steady.

Foreign shares also eased.

SWITZERLAND — Steady in moderate trading.

Insurances narrowly mixed. Engineerings firmed slightly. Chemicals generally higher.

Domestic Bonds hardly changed in light volume, while Foreign Bonds edged higher on *good demand*.

Dollar stocks traded around overnight New York closing levels. Dutch Internationals little changed. Germans gained ground.

JOHANNESBURG — Gold shares drifted easier in very quiet dealings, ahead of U.S. President Carter's energy policy announcement and on Mining House expectations of a possible downward correction in bullion price.

Mining Financials mixed in dull trading. Platinums lower.

Collieries and Industrials mixed.

HONG KONG — Lower on active selective local selling, with Properties easing on disappointment at Government Land auction.

Indices

NEW YORK —DOW JONES

	July 13	July 12	July 11	July 10	July 9	July 6	1979 High	1979 Low	Since Compil't'n High	Since Compil't'n Low
◆ Industr'ls	833.53	836.86	846.83	850.34	852.99	846.16	878.72 (10/4)	807.00 (27/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	85.76	85.54	85.70	85.83	85.84	85.92	85.97 (5/7)	82.92 (8/6)	—	—
Transport	245.06	246.54	251.84	250.34	251.56	248.64	251.56 (9/7)	205.78 (27/2)	279.88 (7/2/69)	12.23 (8/7/32)
Utilities	107.95	107.61	108.05	108.25	107.75	106.78	108.29 (10/7)	98.51 (15/5)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol 000's	33,160	31,900	36,780	39,860	42,560	38,860	—	—	—	—

◆ Day's high 837.88 low 827.47

Ind. div. yield %	July 6	June 29	June 22	Year ago (approx
	5.69	5.72	5.97	5.75

STANDARD AND POORS

	July 13	July 12	July 11	July 10	July 9	July 6	1979 High	1979 Low	Since C'mpil't'n High	Since C'mpil't'n Low
†Indust'ls	113.13	113.55	114.88	115.40	116.68	114.77	116.83 (9/7)	107.08 (27/2)	134.54 (11/1/73)	3.52 (30/6/32)
†Composite	102.32	102.69	103.64	104.20	104.47	103.62	104.47 (9/7)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	July 11	July 3	June 27	Year ago (approx
Ind. div. yield %	5.21	5.28	5.27	5.07
Ind. P/E Ratio	8.03	7.92	7.94	9.12
Lor Gov. Bond Yield	8.86	8.74	8.75	8.69

N.Y.S.E. ALL COMMON

July 13	July 12	July 11	July 10	1979 High	1979 Low
58.17	58.38	58.88	59.16	59.32 (9/7)	53.88 (27/2)

Rises and Falls

	July 13	July 12	July 11
Issues Traded	1,881	1,865	1,876
Rises	522	472	565
Falls	900	977	887
Unchanged	459	416	424
New Highs	—	35	42
New Lows	—	12	14

	July 13	July 12	July 11	July 10	1979 High	1979 Low
MONTREAL Industrial	260.45	260.38	265.60	267.75	278.19 (28/6)	218.19 (2/1)
Combined	260.20	260.29	265.41	266.45	276.16 (28/6)	225.98 (2/1)
TORONTO Composite	1537.4	1533.7	1565.2	1560.2	1618.6 (28/6)	1515.8 (2/1)
JOHANNESBURG Gold	291.6	292.6	292.6	295.6	308.4 (25/6)	228.4 (17/4)
Industrial	303.9	303.6	304.2	303.8	330.0 (23/6)	278.5 (2/1)

	July 13	Previous	1979 High	1979 Low
Australia (¶)	587.89	590.56	597.88 (19/5)	546.72 (2/1)
Belgium (‖)	106.57	107.82	109.00 (5/7)	98.80 (3/1)
Denmark (**)	96.05	96.57	97.22 (10/6)	88.32 (8/1)
France (††)	86.6	86.5	87.5 (11/7)	71.5 (16/3)
Germany (‡‡)	725.90	728.2	836.6 (16/1)	719.4 (7/6)
Holland (§§)	73.2	78.4	86.9 (24/1)	71.5 (7/6)
Hong Kong (¶¶)	551.60	553.92	662.90 (5/2)	495.55 (2/1)
Italy (‖‖)	78.97	79.87	80.01 (4/6)	62.56 (2/1)
Japan (a)	455.16	458.25	462.97 (31/1)	435.13 (15/7)
Singapore (b)	374.54	374.24	404.13 (28/5)	344.34 (26.2)

	July 13	Previous	1979 High	1979 Low
Spain (d)	91.42	92.29	111.96 (8/3)	91.42 (13/7)
Sweden (e)	345.10	345.76	401.34 (6/2)	338.86 (25/5)
Switzerl'd (f)	508.5	507.6	529.1 (2/5)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common—50. Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

FRIDAY'S ACTIVE STOCKS

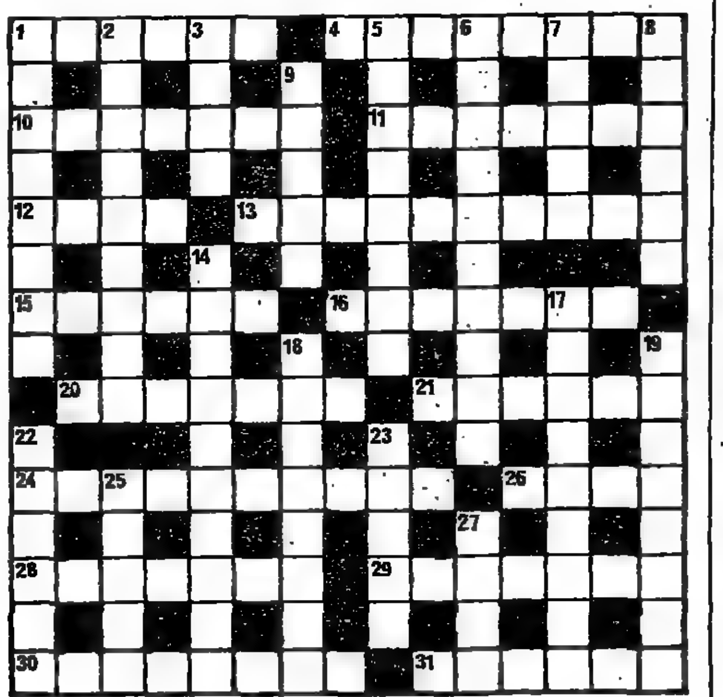
	Stocks traded	Closing price	Change on day
IBM	386,900	69¾	−⅛
Occident. Pet.	400,300	24	+½
Exxon	328,000	53⅝	+⅜
Texaco	315,500	27⅞	−½
Harnischfeger	306,600	22⅞	−1⅛
United Tel.	283,200	18⅞	—
Gen. Motors	274,900	56⅞	−1⅛
Am. Hess	259,600	42	−⅛
Polaroid	257,500	26⅝	−⅛
Bally Mfg.	256,700	42⅞	−2

F.T. CROSSWORD PUZZLE No. 4,021

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



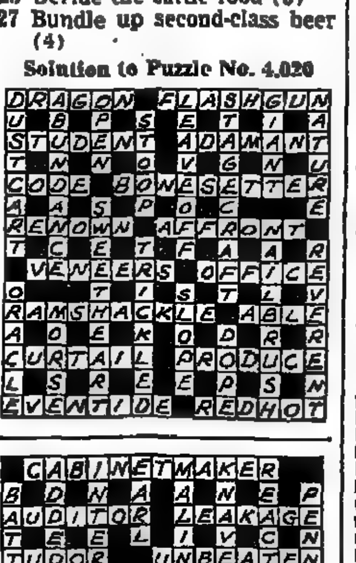
ACROSS

1 Carry off sailor over Channel (6)
4 Completely sealed appearance by drunk (8)
10 Football team likely to be 'armful (7)
11 Smarter kind of time-server (7)
12 Blow the direction indicator (4)
13 Reason singer has instrumental accompaniment (6,4)
15 Idiot returning interjection by sponge (6)
16 Take a holiday? You don't say! (3,4)
20 Grow quickly to scare off ram (5,2)
21 Way artist thanks the layers (6)
24 Stagger one fish with another (4,6)
26 Tiny bit of a festival (4)
28 Out of play and close to impasse (4,3)
29 Old boy returns flower to line-shooter (7)
30 Biography family used as aid to survival (4,4)
31 Old Bob comes in to condemn notice (6)

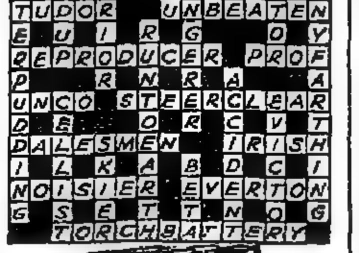
DOWN

1 Drink well supplied in Eden (5, 3)
2 Wiper with which to thwart clergy (4,5)
3 Swindle youth leader with rabbit (4)
5 Unwelcome visitor finds one part of Bible more primitive (8)
6 Kind of policy for the Liberals (5,5)
7 Letter written before reaching the delta (5)
8 Defeat rubbish about hydrogen (6)
9 Pronounced aptitude for giving distress signal (5)
14 Liberal strong chap? (3,2,5)
17 Not caring to make article contemptible (9)
18 Drew up to kerb only to be arrested (6,2)
19 Like a teacher to be very *skilful* (8)
22 Curb sound of wedding (6)
23 Highball near waiting room (5)
25 Deride the cattle food (5)
27 Bundle up second-class beer (4)

Solution to Puzzle No. 4,020



SOLUTION AND WINNERS OF PUZZLE No. 4,015



Following are the winners of last Saturday's prize puzzle.

Mr. J. B. S. Attwooll, 7 Sutherland Way, Cuffley, Potters Bar, Herts 4EC.

Mr. D. M. Smith, 65 Rochester Drive, Westcliff-on-Sea, Essex.

Mr. C. H. Stubbs, 230 Headstone Lane, Harrow, Middx.

هكذا من الأصل

RACING — BY DOMINIC WIGAN

Haul Knight to win the Magnet Cup

EVER SINCE the ante-post market opened on the John Smith's Magnet Cup at York, Haul Knight and Town and Country have been the only two the public have wanted to back. For once, ante-post backers may have got it right.

The favourite, Haul Knight, has struck form with a vengeance in recent weeks and looks more than favourably treated, despite a 5 lbs penalty. Last year's winner, Town and Country, has, according to connections, "never been better."

An easy winner of the Trafalgar House Handicap over 10 furlongs in testing *conditions on June 16 at Sandown*, Haul Knight then obliged with equal ease over the same trip on good ground at Salisbury 11 days later.

Cruising into the lead one-quarter of a mile out in the Gwen Blagrave Memorial Handicap, the Pulborough-trained 3-year-old pulled well away from the opposition and passed the post with four lengths in hand of Proven, from whom he was receiving 12 lbs. I have little doubt that the placing would have remained the same, had the weight advantages been reversed.

This afternoon's fractionally longer trip on a more severe course should present no problems to Haul Knight, who had any amount in reserve at the end of the Salisbury race.

Town and Country, originally bought as a pacemaker for Smuggler, proved himself far more than a utility animal last season, winning five races and repaying his purchase price threefold in win prize money. One of his best efforts came in today's event, which he won with a beautifully timed late run which carried him past Effulgence and Fool's Mate.

Although he now shoulders 10 stone compared with 8 stone 13 lbs on that occasion, Town and Country will, I have no doubt, make a bold bid for the double.

However, I feel equally sure that Haul Knight is the one with whom the handicapper may have slipped up, and he must be the selection.

Lester Piggott, absent to many people's surprise from York yesterday, returns to his favourite course with prospects of gaining at least two winners. One of his mounts sure to be in strong demand following that *emphatic victory by Thatching* is the Vincent O'Brien-trained Fisherman's Song among the runners for the Fountains Maiden Stakes. This Robert Sangster-owned three-year-old, lightly raced with just two runs behind him, is not considered among the stable's better second season colts, but should, nevertheless, be up to disposing of Rowlandson and Khaki Kate.

Despite the claims of the Piggott-ridden Cowhill in the John Courage Stakes, I shall be relying on the Harry Wragg-trained Palmella. This once-raced half-sister to Topsy, who so nearly fought back to land the spoils in the July meeting's Child Stakes, caught the eye on her introduction at Newbury.

At Ayr, where Serge Lifar can land a disappointingly tame affair for the Mecca Bookmakers' Scottish Derby, I expect to see Be Bizarre proving difficult to beat in the Glen Sannox Stakes.

YORK

1.30—Scamper
2.00—*Palmella***
2.30—Silver Lord
3.00—Haul Knight***
3.35—State Trooper
4.05—Fisherman's Song
4.30—Nusantara

AYR

*2.45—Serge Lifar**
3.45—Be Bizarre

SPAIN ♥

July 13	Per cent	
Asland	108	—
Banco Bilbao	253	—
Banco Central	270	−2
Banco Exterior	264	—
B. Granada (1,000)	134	—
Banco Hispano	232	−3
Bco. I. Cat. (1,000)	145	−1
Banco Madrid	181	−3
B. Santander (250)	247	−2
Bco. Urquijo (1,000)	227	—
Banco Vizcaya	253	—
Banco Zaragozano	212	−2
Dragados	115	−4
Espanola Zinc	80	—
Fecsa (1,000)	51	−0.5
Gal. Preciados	55	—
Hidrola	58.25	−1.50
Iberduero	55	−0.5
Petroliber	89	—
Petroleos	129.5	−6.5
Sogefisa	128	—
Telefonica	70	−0.5
Union Elec.	55.75	−0.5

BRAZIL

July 13	Price Cruz	+ or −	Cruz Div.	Yld. %
Acesita	0.90	.....	0.14	15.55
Bancodo Brazil	1.51	+0.02	0.11	7.38
Banco Itau PN	1.31	.....	0.08	6.10
Belgo Mi'eira OP	1.82	+0.02	0.08	4.44
Lojas Amer O.P.	2.05	+0.02	0.20	9.85
Petrobras PP	1.41	−0.03	0.13	9.02
Pirelli OP	1.06	+0.01	0.08	7.61
Souza Cruz OP	2.07	+0.02	0.08	3.90
Unip PE	4.00	.....	0.32	8.00
ValeRioDoce PP	1.52	.....	0.15	9.86

Turnover: Cr.83.1m. Volume: 55.0m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

◆ DM 50 denom. unless otherwise stated. ♦ Pta 500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ● FFr 500 denom. unless otherwise stated. ¶ Yen 50 denom. unless otherwise stated. $ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

CANADA

GERMANY ◆

AUSTRALIA

PARIS

STOCKHOLM

TOKYO ¶

SWITZERLAND ●

AMSTERDAM

COPENHAGEN ♣

VIENNA

JOHANNESBURG

BRUSSELS/LUXEMBOURG

MILAN

OSLO

Winn's end German bid talks

By Our Financial Staff

THE BID by West German publisher Heinrich Bauer Verlag for Winn's Stores, a Texan department stores group, will not go ahead.

The two companies reached an agreement in principle last month for an offer of $19.50 cash a share for the capital of Winn's. However, a statement from the U.S. group said that negotiations with Bauer had been terminated.

Had it gone through the deal would have represented the first serious attempt by Bauer to diversify outside Germany. Winn's owns around 150 department stores throughout the state of Texas. Bauer is Germany's largest magazine publisher.

Winn's also reports a sharp recovery in earnings for the second quarter of 1979. Having been marginally down after the first three months, net earnings per share have surged upwards by more than half in the second quarter. This leaves the company with a six month growth of a fifth at 44 cents a share.

First half losses trimmed at Scandinavian Airlines

BY WILLIAM DULLFORCE IN STOCKHOLM

SCANDINAVIAN AIRLINES System (SAS) made a consolidated pre-tax loss of SKr 81.8m ($19m) before sales of aircraft and other assets during the first half of its financial year, according to the interim report from ABA, the Swedish company which holds three parts in seven of the SAS stock. Group turnover climbed by 15 per cent to SKr 3.6bn ($850m).

The SKr 81.8m loss in the half to March 31 compares with the loss of SKr 108m recorded during the first six months of 1977/78 and the profit of SKr 100m shown for the year as a whole. SAS makes most of its earnings in the second half.

Sales of equipment, a regular feature of the SAS accounts, reduce the first-half loss to SKr 55.7m before extraordinary items. The comparable figure for the first half of 1977/78 is a loss of SKr 78.3m.

The airline itself, leaving aside business operations such as hotels and catering, made a pre-tax loss of SKr 71.2m on a SKr 2.8m turnover during the first half. Equipment sales cut this loss to SKr 45.1m before extraordinary items.

Traffic revenue grew by 13 per cent and the load factor improved by 1 per cent to 55.9 per cent. SAS investments during the first half amounted to SKr 352m, of which SKr 257m were payments for aircraft. By the end of March, the group held liquid assets of SKr 1.25bn, an advance of SKr 180m from the beginning of the financial year.

* * *

THE VALUE of the Swedish National Pension Fund's holdings, in shares and bonds fell by 7 per cent during the first half of the year. This compares with a decline of only 2 per cent in the Affärsvarlden General Index over the same period after the exclusion of the bank shares, in which the fund is not allowed to invest.

The market value of the fund's portfolio at the end of June was SKr 949m ($221m), which was some SKr 130m lower than the purchase value. The gap between the purchase and market values has widened by about SKr 80m during the first half.

Until recently, the Fourth Fund, the one authorised to invest on the stock market, regularly beat the General Index. The decline in its performance during the first half is the result partly of the paucity of forest industry companies in its portfolio and partly to developments weaker than expected in the prices of some large engineering company shares. Prices of pulp and paper company shares have improved considerably since the beginning of the year.

The fund's share portfolio now includes 33 companies, since it disposed of all its Gränges holding. During the first half, the fund's managers also sold some Billerud-Uddeholm and PLM stock.

Growth maintained at Kohler

By Jim Jones in Johannesburg

KOHLER BROTHERS, South Africa's second largest printing and packaging company, which is 72.6 per cent-owned by Union Corporation, maintained its growth record in the six months to June 30. Pre-tax profit rose 32 per cent to R9.01m ($10.7m), from R6.83m in the first six months last year.

Turnover totalled R52.4m ($62m), compared with R44.2m in the first six months of 1978, and R92.2m for the whole of 1978.

The board reports that this improvement was achieved in part through a real increase in sales volumes despite little market growth. At the same time notwithstanding increased competition — Kohler had maintained its operating margins. Benefits were also gained from further rationalisation of the company's operations.

During the second half of 1978, Kohler reported pre-tax profit of R9.22m despite the fact that the fuel crisis is expected to have an adverse effect on business conditions during the current six months, the management expects that the rate of profit growth for the whole of this year to be in keeping with the first half's performance.

After adjusting for last September's one-for-three capitalisation issue, from first-half earnings of 65.1 cents per share, against 49.7 cents in the first six months of 1978, a 2.4 times covered interim dividend of 27 cents has been declared, against 18 cents. Last year, a final of 32 cents per share was declared from second-half earnings per share of 69.3 cents.

Volkswagen denies offer for Chrysler in Argentina

BY GUY HAWTIN IN FRANKFURT

VOLKSWAGEN has denied it is to take over Chrysler's Argentinian subsidiary. This follows widespread speculation in Buenos Aires and the Argentinian Press that a further deal between the two motor manufacturers was imminent.

Earlier this year Volkswagen —West Germany's largest car maker—paid £25m for 67 per cent of Chrysler's ailing Brazilian subsidiary. Since then it has been forced to deny several rumours of further involvement with Chrysler, including reports that it was to take over all or part of the U.S. group.

Volkswagen said that the West German group had no intention of acquiring Chrysler's Argentinian operation. Chrysler, he pointed out, had already sold a 51 per cent stake in the subsidiary to Argentinian interests, and it was not VW's policy to buy minority holdings. This has certainly been VW's policy up to now.

VW said that the speculation could have arisen because a team from Volkswagen do Brasil was holding talks on co-operation with the management of Chrysler's Argentinian subsidiary. The talks had been arranged under the auspices of the Brazilian and Argentinian Governments, which have recently negotiated an industrial and technical co-operation accord.

He was unable to comment on the nature of co-operation under discussion between the two companies — whether, for instance, it could lead to the production of common models. But they certainly did not extend to the question of acquisition or participation, he said.

John Wyles adds from New York: Chrysler Corporation and Volkswagen AG have opened up a new front of possible co-operation and are holding talks on "possible business ventures" in Argentina, which has in the past proved to be a small, highly competitive market where it has traditionally been hard to make profits.

Chrysler Fevre SA, the Argentinian subsidiary, has an annual output of little more than 25,000 cars and trucks. Its profitability is unknown but it would not be surprising if Chrysler is seeking a buyer. However, Chrysler is declining comment on reports from South America that its "very preliminary" talks with VW are in fact negotiations on a sale.

Cominco profits rise strongly

BY ROBERT GIBBENS IN MONTREAL

COMINCO, the mining and metals arm of the Canadian Pacific group, reports a surge in earnings in the first half of 1978, mainly due to higher metal prices, especially for lead and zinc, nad exchange gains. The company operates one of the world's largest metallurgical processing centres at Trail, British Columbia.

First-half profit was C$93.1m or $5.25 a share against C$26.1m or $1.37 a year earlier, on revenues of C$641m against C$463m. Second-quarter earnings were C$54.8m or $3.11 a share on revenue of C$362m.

Besides being one of Canada's largest lead-zinc producers Cominco itself or through subsidiaries also produces gold, silver and platinum, chemicals and fertilisers and also potash Saskatchewan.

The first-half results mirror a major jump in earnings from the big Noranda mines group. Earnings of Cominco and similar large mining and metallurgical companies are expected to ease back in the last half, but return to higher levels in 1980-81.

Cominco has a major base metals project in the planning stage in the Highland Valley area of British Columbia

U.S. offer for Comex rejected

PARIS — The French Government has rejected a bid by J. Ray McDermott, the U.S. engineering group, to acquire a controlling interest in Comex Services, a French company specialised in marine salvage and offshore work. The Government rejected the bid because Mcdermott was not in a position to give "formal guarantees" that there would not be any dismissals.

Henri Delauze, president of Comex, currently owns 62.5 per cent of the company's capital. Other known shareholders are Credit Lyonnais, the Paribas banking group and Cie Francaise des Petroles. The French Government is still looking for a solution to help the company.
AP-DJ

Italian diesel reorganisation

BY RUPERT CORNWELL IN ROME

THE MAJOR Italian State controlled groups Istituto per la Ricostruzione Industriale (IRI) and Efim, have carried out a reorganisation of their diesel motor interests, to concentrate their activities in Finmeccanica, the engineering holding company of the IRI conglomerate.

By the terms of a deal approved here this week, Finmeccanica's diesel motor division, Stabilimenti Meccanici VM, is taking control of two smaller companies formerly in the Efim group, Ducati Meccanica and Isotta Fraschini.

The agreement is significant because of the growing attention being paid to diesel engines, as more economical users of fuel. In effect, it will almost double the current turnover of VM of around L50bn ($61m), and is expected to lead to considerable rationalisation of the three companies' activities.

Ducati manufactures motor cycles, outboard motors and diesel engines for industry and agriculture, and had a turnover last year of L15.5bn and losses of L5bn. Isotta, which produces transmission equipment and diesel motors, reported turnover of L24.6bn in 1978, and losses of L397m. The enlarged VM group will employ over 2,500 people.

Airline bid in prospect

WASHINGTON — Allegheny Airlines is considering "the desirability of making a purchase offer" for Hughes Air Corporation—which is doing business as Hughes Airwest.

Allegheny said that other companies might be interested in acquiring Hughes Air, and that there was no assurance that it would be the successful bidder

Hughes Air is a privately held company.

The information that Allegheny was considering an offer for Hughes Air, was disclosed in the prospectus for a $25m debt offering for a Dutch subsidiary.
Agencies

McGraw-Hill and Data Resources in merger pact

NEW YORK — McGraw-Hill the publishing group has agreed to buy for $50 a share about 912,000 shares or 45 per cent of the stock outstanding of Data Resources from Dr. Otto Eckstein, the president and chief executive of Data, Mr. Donald B. Marron, the chairman, certain of their associates and several other major shareholders.

The agreement calls for McGraw Hill to make the same cash offer of $50 a share to all the other shareholders of Data Resources. This puts a price tag of $103m on the deal.

The offer for Data Resources, an economic information company, will be made pursuant to a merger agreement to be signed early next week. Under the agreement, shareholders who did not tender their shares under the offer would receive $50 per share upon the merger.

It is contemplated that the offer to shareholders will begin in about 30 days.

Directors of Data Resources have unanimously approved the transactions.

Data Resources has outstanding about 2m shares.
AP-DJ

Brazil to raise foreign loans

BRASILIA — Brazil plans to make a greater effort to raise foreign capital after the recent decision by the Organisation of Petroleum Exporting Countries to raise prices and ahead of a likely further increase in October, said Mr. Karlos Rischbieter the Finance Minister.

However Mr. Rischbieter told a meeting of the foreign press that the Government would only lift the 50 per cent deposit requirement on foreign borrowing when the situation merited it.
Reuter

Sharp advance for Takeda

By Our Financial Staff

TAKEDA Chemical Industries — the major Japanese manufacturer of pharmaceuticals, which also has interests in food — raised its consolidated net profits sharply in the year to March 31, by 52.3 per cent to Y19.94bn ($91.9m), from Y13.09bn in the previous financial year.

The gain in profits ran well ahead of that in sales, which increased by 11.7 per cent to Y388.68bn ($1.8bn), from Y347.93bn.

Court rules in favour of former bank chief

BY JONATHAN CARR IN BONN

HERR LUDWIG POULLAIN has won a new round in the legal dispute over the conditions under which he lost his post as chief executive of the Westdeutsche Landsbank (West LB).

The state appeals court in Dusseldorf yesterday ruled that an agreement was valid under which Herr Poullain retired from WestLB on December 23, 1977, with big severence pay and pension rights.

He did not in fact benefit from this accord since in January, 1978, the Board of the bank instead summarily dismissed him with effect from December 23.

Herr Poullain opposed this decision but lost the first round in a local court. Following yesterday's judgment, the matter could now be taken to the Federal Court of Justice. It is not yet clear whether West LB will decide to do so.

COMMODITIES/Weekly review

Lead prices plummet

LEAD PRICES plumeted on the London Metal Exchange this week leading a general decline in base metal markets. Cash lead fell by £23.5 yesterday to £546.5 a tonne, £98.5 lower than a week ago, and £150 below the all-time peak reached in June.

Main influence in the market was the absence of buying by the Soviet Union. The removal of this prop to prices has come at a time when supplies have become far more plentiful, easing the scarcity that previously forced the market up to record levels.

A rise in warehouse stocks, and forecasts of a further increase, also depressed the market.

Copper prices lost ground this week. Cash wirebars at one stage traded below £800 a tonne for the first time since January this year. After a brief rally, the downtrend continued, and cash wirebars closed last night £18 lower at £801.5.

The market is still hit by fears that the oil crisis will bring an economic recession and reduce demand.

Cash tin fluctuated wildly this week. After the spectacular fall of nearly £500 last Friday, there were more heavy losses to a low of £7,025 a tonne.

However, reports of shipping delays brought a new squeeze on nearby supplies, and the cash price rallied to close virtually unchanged on the week at £7,310.

The market is now awaiting the outcome of next week's International Tin Council meeting in London. Producers have resolved to press hard for a substantial rise in the Tin Agreement price range.

Coffee prices fell sharply on the London futures market this week in the face of heavy selling by speculators and the trade. The September position closed last night £177.5 down on the week at £1,837.5 a tonne.

The fall came in spite of reports of some low temperatures in the coffee-growing areas of Brazil.

Traders, however, seem more concerned with the possible cut in consumption after recent retail coffee price rises announced in the U.S. and UK.

A decline in demand for natural rubber, particularly in the U.S., brought a sharp fall in prices on the London market this week. The spot price for No. 1 RSS rubber dropped 3p to close last night at 58p a kilo.

Traders said demand from factories was slack, and some U.S. tyre manufacturers had even asked for deliveries to be postponed. Petrol shortages and doubts over the future of the U.S. economy also contributed to the slide.

In Geneva, the UN conference on an International Rubber Agreement, which had been expected to end in settlement, is to be reconvened in September.

The delay in concluding the agreement followed the U.S. insistence that any pact should include a clause committing producer countries to disclose to consumers their supply and production plans.

News that UK cocoa grindings in the first quarter of the year fell 16.3 per cent on the same part of 1978 was followed by reports yesterday of a 28 per cent drop in demand in Holland from 12,200 tonnes in June last year to 8,810 tonnes last month. The reduction largely offset the sharp increases in Dutch demand during May.

The U.S. grind in the second quarter of the year rose 7.7 per cent over 1978.

Cocoa prices on the London terminal market fell marginally on the week, closing £39 lower at £1,440.50 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979 High	1979 Low
METALS					
Aluminium	£710/50	—	£680	£730	£710
Free Markets c.i.f.	$1,470/90	—	$1050/60	$1,640	$1,210
Antimony					
Free Market 99.6%	$5,800/100	—	$2,300/50	$3,300	$2,712.5
Copper Cash Wire Bars	£801.5	-18	£114.75	£1,082.5	£769
3 months Do. Do	£820.5	-18	£735.25	£1,073.75	£783.75
Cash Cathodes	£781	-19	£711.25	£1,054	£753
3 months Do	£802.5	-14.75	£751.75	£1,068	£771.25
Gold per oz	$287.875	-2.0	$185.875	$291.125	$216.625
Lead cash §	£546.5	-98.5	£316	£701.5	£456.75
3 months §	£524.5	-85.75	£324.625	£642.5	£420.75
Nickel	£3,225.4		£2,565	£3,225.4	2,320.69
Free Market c.i.f. lb	$255/265c	+17.5	$1.78-182	340c	156c
Platinum per oz	£165	—	£129	£171.0	£152
Free Market per oz	£182.10	-2.9	£129.25	£216.55	£169.3
Quicksilver (76lbs.)	$300/330	+22.5	$126.31	$355	$160
Silver per oz	401.10p	-0.35	280.15p	425.5p	269.4p
3 months per oz	412.95p	-0.2	287.2p	437.9p	303.7p
Tin cash	£7,310	-55	£6,615	£7,957.5	£6,715
3 months	£6,852.5	-105	£6,557.5	£7,317.5	£6,562
Tungsten ind.	$140.17	—		$145.56	$127.94
Wolfram (22.04 lb)	$137/44	-2	$131/136	$147.5	$120.5
Zinc cash	£320.5	-18	£341.5	£408.5	£340.5
3 months	£332.25	-18.5	£324.25	$423.5	350.5
Producers	$845	—	$550/600	$845	$720
GRAINS					
Barley					
Home Futures	£97.80	-4	£81.90	£96.65	£85.5
Maize					
French No. 3 Yellow (Amer)	£107	—	£102	£113	£107.25
WHEAT					
No. 1 Red Spring	£97.0	-2.25	£91.5	£99.0	£97
Am. Hard Winter	£98.75	-2.75	‡	£100.5p	£83.5
Eng. Milling (new crop)			£91.5	£107.5	£43.5
SPICES					
Cloves (a)	£3,850		£5,000	£3,975	£3,850
Pepper, white	£2,630	-100	£2,650	£2,950	£2,600
black	£1,960s	-25	£1,900	£1,850	£1,560
OILS					
Coconut (Philippines)	$1,145	-10	$685	$1,175	$925
Groundnut 5%	‡	—	£673	‡	‡
Linseed, Crude	£405	—	£346	£441	£386
Palm Malayan	$679t	-25	$595	$720	$610
SEEDS					
Copra (Philippines)	$750w	-10.0	$455	$745	$620
Soyabeans (U.S.)	$328.25t	-3.0	$275.5	$350.45r	$283.25
OTHER COMMODITIES					
Cocoa Shipment	£1,546.5	-30.0	£1,767.5	£2,041	£1,589
F'ts 2nd psn	£1,440.5	-39.0	£1,702.5	£1,990.5	£1,532.5
Coffee Futures Sept	£1,837.5	-177.5	£1,386.5	£2,089	£1,298.5
Cotton Index	77.20c	+0.75	70.6c	78.65c	72.5c
Des. Coconut	£740	—	£635	£740	£700
Jute LJ ABW C grade	‡		£475	$525	$476
Rubber kilo	58.0p	-3.0	64p	67.750p	55p
Sago Pearl	£199		£178	[illegible]	£178
Sisal No. 3 L	$810	+10	$530/40	$700	$515
Sugar (Raw)	£102.0	-3	£85	£109	£95
Tapioca No. 1	£198s	-4	£158	£201	£157
Tea (quality) kilo	136p	-2	133p	158p	123p
(plain) kilo	62p		75p	82p	75p
Wooltops 64s Warp	288p kilo	-5.0	288p kilo	291p kilo	268p kilo

* Nominal. ‡ Unquoted. (a) Madagascar. (w) Sept./Oct. (s) July/Aug. (t) Sept.

MARKET REPORTS

BASE METALS

COPPER—Lower on the London Metal Exchange with confidence undermined by the liquidation in lead. Stop-loss selling took forward metal from £828 to £814, before a recovery after the Comex opening lifted the price to £822. The close on the Kerb was £818.5. Turnover 16,075 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £796, three months £825, 24, 23, 22.5, 23, 22.5, 22, 21, 20, 18, 17.5, 18, 17, 16, 15.5, 16. Cathodes, three months £798. Kerb: Wirebars, three months £816, 15, 14.5, 14, 15, 14.5. Afternoon: Wirebars, cash £801, three months £820, 21, 20, 20.5, 21, 22, 20. Cathodes, three months £802. Kerb: Wirebars, cash £802, three months £820, 19, 18.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	795-6	-14.7	801-2	-14
3 months	815.5-6	-13.5	820-.1	-11.7
Settlem't	796	-14.5	—	
Cathodes				
Cash	778-5	-15.5	780-2	-11.5
3 months	797-.5	-14	802-3	-15
Settlem't	778	-15	—	
U.S. Smt.	—		*84-82	

TIN—Very steady as the tightness in nearby supplies remained although cash offerings were freer than Thursday. Forward metal held in a narrow range, between £6,830 and £6,880, helped by covering against East European and U.S. business. The close on the Kerb was £6,860. Turnover 2,790 tonnes.

Morning: Standard, cash £7,300, three months £6,840, 50, 60, 70, 65, 60. Kerb: Standard, three months £6,860. Afternoon: Standard, cash £7,300, 7,280, 50, late July £7,050, three months £6,850, 55. Kerb: Standard, three months £6,860, 50.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7290-300	+278	7300-20	+150
3 months	6875-90	+75	6865-80	+32.5
Settlem't	7300	+250	—	
Standard				
Cash	7290-300	+278	7300-20	+150
3 months	6865-75	+92.5	6850-5	+37.5
Settlem't	7300	+250	—	
Straits. E.	‡$1975	+10	—	
NewYork	—		—	

LEAD—Weak as the stop-loss selling which started on Thursday continued. Forward metal started at £542-£544 and drifted down to £533, at which point the selling pressure became more intense. The close on the Kerb was £517.5 and the price moved lower after hours. Turnover 11,950 tonnes.

Morning: Cash £542, three months £528, 27, 26, 26.5, 22, 22, 23, 24, 23, 22, 21, 22. Kerbs: Three months £522, 21, 20. Afternoon: Three months £523, 24, 25, 26, 27, 26, 25, 26, 27, 26.5, 26, 25. Kerb: Three months £525, 24, 22, 20, 18, 16, 18.

LEAD	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	542-4	-30	545-8	-23.5
3 months	521-2	-25	524-5	-19.5
S'ment	544	-30	—	
U.S. Spot	—		*54-8	

ZINC—Lost ground after a steady start with forward metal at £335-£337. Influenced by lead and copper, the price slipped to £328 and closed on the Kerb at £330. Turnover 19,150 tonnes.

Morning: Cash £319, three months £333, 32, 33, 30.5, 30, 29.5, 29, 28. Kerb: Three months £328, 29. Afternoon: Three months £330, 31, 32. Kerb: Three months £332, 31, 30.

ZINC	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Cash	317-8	-5	320-1	-5.75
3 months	328-9	-5.25	332-.5	-4.5
S'ment	318	-5	—	
Primi W'st	—		*59.5	

ALUMINIUM—Easier although forward metal was initially steady between £675 and £684. But the market drifted down throughout the day, with sentiment depressed, to close on the Kerb at £669. Turnover 5,900 tonnes.

Morning: Three months £672, 73, 70, 69, 68, 69, 70, 69. Kerb: Three months £665. Afternoon: Three months £670, 71, 70.5, 70, 71, 70.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	665-6	-15	668-70	-7
3 months	669-70	-14	670-.5	-6.25

NICKEL—Moved lower in routine trading as forward metal started at £2,700 and finished on the Kerb near the day's lows at £2,650. Turnover 780 tonnes.

Morning: Three months £2,680, 70, 80, 80, 60, 70. Kerb: Three months £2,670, 75. Afternoon: Three months £2,675, 70, 80, 70, 71, 70, 50. Kerb: Three months £2,650.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	—	—	—	
3 months	2665-75	-45	2655-65	-55

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 10.4p an ounce lower for spot delivery in the London bullion market yesterday at 401.1p. U.S. cent equivalents of the fixing levels were: spot 892.2c, down 26.3c; three-month 911.3c, down 27.3c; six-month 930.8c, down 25.8c; and 12-month 964.5c down 32.0c. The metal opened at 407-408p (905-907c) and closed at 401¼-402¼p (894-895c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	401.10p	-9.85	401.85p	-10.8
3 months	412.95p	-10.	413.9p	-11.0
6 months	423.95p	-9.5	—	
12months	443.25p	-12.5	—	

LME—Turnover 188 (175) lots of 10,000 ozs. Morning: Three months 413.5, 12.5, 2.3, 2.2, 2.3, 2.5, 2.7. Kerbs: Three months 412.8, 12, 11, 10.8, 11, 11.5, 1.7. Afternoon: Three months 414.6, 14.2, 14, 13.5, 14, 14.1, 13.8, 13.9, 14. Kerbs: Three months 414, 13.8, 13.8.

COCOA

Cocoa futures were slightly easier during a quiet and featureless day to close with losses of £15-£20 from last night's levels, reported Gill and Duffus.

COCOA	Yesterd'y's Close	+ or —	Business Done
July	1400-1401	-20.5	1435-1399
Sept	1440-1441	-19.0	1473-34
Dec	1514-1516	-18.0	1535-05
March	1567-1569	-8.5	1580-53
May	1593-1595	-8.5	1596-86
July	1618-1624	-8.5	—
Sep	1641-1646	-8.0	1646-54

Sales: 2,703 (4,773).

International Cocoa Organisation (U.S. cents per pound): Daily price July 12 147.73 (146.52). Indicator prices for July 13: 15-day average 154.25 (154.84); 22-day average 154.91 (155.29).

COFFEE

Robustas continued the recent decline as prices fell rapidly to record early losses of up to £75, reported Drexel. However, the market found chart support followed by good trade buying around the lows. In the afternoon the market fluctuated erratically for most of the session, and on the closing call rallied to the highs before some late fresh Commission House selling prompted an easier finish, vaues finally being £40-£65 down from yesterday.

COFFEE	Yesterdays Close	+ or —	Business Done
	£ per tonne		
July	1821-25	-47.5	1835-1785
September	1835-40	-55.0	1870-1850
November	1841-45	-40.0	1870-1130
January	1843-48	-45.0	1871-185
March	1800-09	-55.0	1840-1800
May	1775-90	-57.5	1824-1781
July	1750-90	-55.0	1814-1800

Sales: 13,698 (6,530).

ICS indicator prices for July 12 (U.S. cents per pound): Other Mild Arabicas 204.67 (208.0). Robustas ICA 1976 203.0 (205.0). ICA 1968 203.5 (205.5). Colombian Mild Arabicas 210.0 (213.0). Unwashed Arabicas 204.0 (205.0). Comp. daily ICA 1968 204.95 (207.0).

GRAINS

The market opened 15-30 lower and in thin conditions traded up to 40 lower, but some short-covering helped values to close between 15-35 points lower, with more sellers for barley than wheat. There was some commercial short-covering at the lows but, generally, hedge sellers were always above the market, reported Acli.

	WHEAT		BARLEY	
M'nth	Yesterd'y's close	+ or —	Yesterdy's close	+ or —
Sept.	91.25	-0.15	87.20	-0.2
Nov.	95.25	-0.25	91.20	-0.2
Jan.	99.25	-0.35	95.15	-0.25
Mar.	102.65	-0.35	98.45	-0.3
May	106.10	-0.35	101.70	-0.3

Business done—Wheat: Sept. 91.35-91.20, Nov. 95.40-95.20, Jan. 99.40-99.25, March 102.75, May 106.20-106.10. Sales 110. Barley: Sept. 87.35-87.05, Nov. 91.30-91.05, Jan. 95.30-95.0, March 98.60-98.45, May 101.80-101.60. Sales 179.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent July and Aug. 97.00, Sept. 98.25 transhipment East Coast. U.S. Hard Winter 13½ per cent Aug. 98.75 transhipment East Coast. EEC unquoted. Maize: U.S./French July 107.00, Aug. 109.00 transhipment East Coast. South African White unquoted. South African Yellow Aug. 82.00 nominal. Barley: English Feed fob Aug. 89.00, Sept. 89.75 South Coast, Oct.-Dec. 92.00, Jan.-March 99.25 East Coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian feed unquoted.

RUBBER

The London physical market opened unchanged. Little interest throughout the day, closing on an easier note. Lewis and Peat reported a Malaysian godown price of 285 (284) cents a kilo (buyer, August).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Aug.	58.50-58.80	60.00-60.50	59.00-58.75
Sept.	60.75-61.00	61.40-61.50	61.00-60.70
Oct-Dec	62.70-62.80	65.55-65.45	65.40-62.56
Jan-Mar	65.20-65.25	65.90-65.95	65.45-65.15
Apr-Jne	67.50-67.55	68.25-68.30	68.20-67.45
Jly-Sept	69.65-69.70	70.50-70.55	70.00-69.66
Oct-Dec	71.65-71.70	72.65-72.70	72.80
Jan-Mar	74.05-54.10	74.20-74.90	74.45-74.00
Apr-Jne	76.15-76.45	76.80-76.85	—

Sales: 473 (573), at 15 tonnes and 10 at 5 tonnes.

Physical closing prices (buyer) were: Spot 58.0p (59.0p); Aug. 63.0p (63.5p); Sept. 58.0p (63.75p).

SOYABEAN MEAL

The London market opened with losses of £1-£1.50 on continued long liquidation, reported T. G. Roddicks. The market found support at lows and fresh speculative buying late in the session raised prices.

	Yest'rd'y Close	+ or —	Business Done
	£ per tonne		
August	116.00-17.0	-1.75	116.00-15.70
October	121.70-22.0	-1.25	125.00-21.00
December	124.50-24.5	-1.05	125.50-25.00
February	125.50-26.5	-1.25	125.70-25.50
April	125.00-26.5	-0.25	—
June	127.50-30.0		—
August	128.50-32.5	+0.5	—

Sales: 133 (105).

SUGAR

LONDON DAILY PRICE (raw sugar): £102.0 (same) a tonne cif for July shipment. White sugar daily price was £101.5 (£102.5).

Currency factors produced an easier tone and prices eased some 50-75 points in good two-way trading conditions, reported C. Czarnikow.

Sugar Pref. Comm. Con.	Yester-day's Close	Previous Close	Business Done
	£ per tonne		
Aug.	107.00-07.15	107.80-07.90	108.00-06.80
Oct.	109.35-09.40	110.30-10.40	110.50-09.10
Dec.	112.00-12.10	114.25-14.50	114.25-12.00
March	119.15-19.25	121.20-21.25	121.00-19.10
May	121.90-22.05	124.10-24.20	123.50-22.00
Aug.	125.75-25.95	127.80-28.00	126.00
Oct.	129.25-30.00	131.20-31.25	—

Sales: 2,897 (2,316) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £297.55 (same) a tonne for home trade and £171.50 (£173.0) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for July 12: Daily price 8.74 (8.56); 15-day average 8.53 (8.49).

WHITE SUGAR—Close (in order buyer, seller, business, sales): Sept. 102.00, 102.50, 102.75, 5; Nov. 106.55, 107.00, 107.25, 15; Feb. 116.00, 116.50, 118.50, 5; April 120.25, 120.75, nil, nil; July 124.50, 125.25, nil, nil; Sept. 128.00, 130.00, nil, nil; Nov. 131.00, 134.00, nil, nil. Sales 25.

WOOL FUTURES

LONDON GREASY—Close (in order: buyer, seller): July 218.0, 228.0; Oct. 218.0, 233.0; Dec. 218.0, 238.0; March 228.0, 238.0; May 228.0, 238.0; July 228.0, 238.0; Oct. 228.0, 238.0; Dec. 228.0, 238.0. Sales: Nil.

NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller): July 185.0, 190.0; Oct. 180.0, 188.0; Dec. 180.0, 190.0; March 185.0, 193.0; May 185.0, 193.0; July 185.0, 193.0; Oct. 185.0, 193.0; Dec. 185.0, 193.0. Sales: Nil.

AMERICAN MARKETS

NEW YORK, July 13.

THE COMMODITY markets were focused on President Carter's energy message scheduled for Sunday night and generally reflected positive expectations. Precious metals sold off sharply in anticipation of measures providing support for the U.S. dollar. The major setback in copper was in reaction to the Administration's revised economic forecast, projecting a more serious recession in the second half of 1979. The meat complex was down the limit or near limit on speculative selling and expectations of heavy country runs early next week. In the grains, wheat has the most bearish prospects and continued slightly lower. Maize and the soya-complex, however, finished steady to higher. Coffee dropped the limit as Brazil coffee areas advised no occurrences of a freeze. Sugar is consolidating in a new, slightly lower, buying area. Cocoa was also much lower on arbitrage selling from abroad. Book-squaring characterised most of the trading in commodities, reported Heinold.

¶Silver—July 897.4 (906.0), Aug. 901.6 (910.5), Sept. 908.5, Dec. 929.7, Jan. 936.7, March 948.0, May 960.3, July 972.6, Sept. 984.9, Dec. 1003.2, Jan. 1009.3, March 1021.6, May 1033.9. Handy and Harman bullion spot 894.0 (916.0).

Copper—July 79.65 (79.65), Aug. 79.70 (79.70), Sept. 79.65-79.75, Dec. 79.90-80.20, Jan. 80.15, March 80.35, May 80.55, July 80.75, Sept. 80.95, Dec. 80.90, Jan. 81.05, March 81.10, May 81.15.

Cotton—Oct. 64.30-64.40 (64.25), Dec. 63.95-64.05 (63.83), March 64.55-64.65, May 65.20 bid-65.40 asked, July 65.90 bid-66.20 asked, Oct. 66.50 bid-66.95 asked, Dec. 67.00 bid-67.20 asked.

Cocoa—July 130.50 (133.20), Sep. 136.30 (139.00), Dec. 142.20, March 146.20, May 148.60, July 150.85, Sep. 153.10.

Coffee—July 196.58 (204.00), Sep. 204.44 (208.44), Dec. 203.22, March 198.70, May 198.50, July 197.00, Sep. 197.13, Dec. nil.

*Gold—July 289.60 (289.90), Aug. 280.80 (291.20), Sept. 293.20, Oct. 296.10, Dec. 301.40, Feb. 306.40, April 311.40, June 316.40, Aug. 321.30, Oct. 326.10, Dec. 330.90, Feb. 335.70, April 340.50.

*Platinum—July 409.10 (414.00), Aug. nil (nil), Sep nil, Oct. 403.60, Jan. 404.10, April 406.00, July 408.80, Oct. 411.60, Jan. 414.50.

Potatoes (round whites)—Nov. 70.0 (70.0), March 91.7 (87.5), April 107.4, May 118.9.

Orange Juice—July 102.20 (102.00), Sep. 101.65 (102.10), Nov. 99.50, Jan. 99.30, March 100.30, May 101.00, July 101.50, Sep. 102.00, Nov. 102.30.

Sugar—Sep. 8.89 (8.98), Oct. 9.15 (9.25), Jan. 9.85, March 10.13, May 10.32, July 10.51, Sep. 10.76, Oct. 10.80.

Tin—710.0-725.0 nom. (710.0-725.0).

CHICAGO, July 13.

Lard—Chicago loose 26.0 (26.187). New York prime steam not available.

‡‡Maize—July 312½-313 (307¼), Sept. 312½-314 (307¾), Dec. 317½-316, March 326½-327, May 329-330, July 330-330½.

Plywood—July 192.0 (193.2), Sept. 193.3 (195.3), Nov. 190.1, Jan. 191.0, March 193.5, May 195.6, July 198.5, Sept. 199.0, Nov. 197.5.

Silver—July 901.0 nom. (908.2), Aug. 905.0-904.0 (911.7), Oct. 918.0-918.5, Dec. 930.0-931.0, Feb. 943.0-942.5, April 953.5, June 965.0, Aug. 978.0, Oct. 990.0, Dec. 1002.0, Feb. 1014.5, April 1027.0, June 1039.5, Aug. 1052.5, Oct. 1065.5, Dec. 1078.5, Feb. 1091.5, April 1105.0, June 1118.5.

‡Soyabeans—July 768-767 (755), Aug. 770-771 (758¾), Sept. 769½-770, Nov. 762-760, Jan. 768½-770, March 778-780, May 783, July 784½.

‖Soyabean Meal—July 205.00-204.50 (202.00), Aug. 204.90-204.00 (200.80), Sept. 206.00-205.00, Oct. 205.50, Dec. 206.50-206.00, Jan. 207.50-208.00, March 208.50-209.00, May 209.00-209.60, July 208.50-209.00.

Soyabean Oil—July 28.45 (28.27), Aug. 28.10-28.15 (27.93), Sept. 27.95-28.00, Oct. 27.70-27.80, Dec. 27.50-27.45, Jan. 27.35, March 27.45, May 27.50, July 27.40, Aug. 27.25-27.30.

‡Wheat—July 441 (439½), Sep. 442-440 (441¼), Dec. 457-454, March 456, May 450-449, July 426.

WINNIPEG, July 13. §Rye—July 171.00 bid (169.40 bid), Oct. 170.00 (167.30), Dec. 163.00 bid, May 163.00 bid.

§Barley—July 99.70 bid (98.00), Oct. 101.30 (98.40), Dec. 101.20 asked, March 102.00, May 101.70 bid.

§Oats—July 110.50 bid (108.90 asked), Oct. 101.40 bid (100.30 asked), Dec. 99.20 bid, March 97.60 bid, May 97.70 bid.

§Flaxseed—July 364.90 bid (359.00 asked), Oct. 350.90 bid (343.00 asked), Nov. 344.00 bid, Dec. 333.00 bid, May 341.50 bid.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 234.45 (232.6).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

July 13	July 12	M'nth ago	Year ago
287.54	289.90	301.77	258.83

(Base: July 1, 1952=100)

MOODY'S

July 13	July 12	M'nth ago	Year ago
1083.3	1082.7	1105.4	913.7

(December 31, 1931=100)

DOW JONES

Dow Jones	July 13	July 12	Month ago	Year ago
Spot	408.80	406.61	423.31	350.32
F'tur's	420.78	421.25	429.31	340.15

(Average 1924-25-26=100)

REUTERS

July 13	July 12	M'nth ago	Year ago
1572.3	1582.6	1646.1	1443.1

(Base: September 18, 1931=100)

FINANCIAL TIMES REPORT

Saturday July 14 1979

BRANDY

Market picks up again

By David Churchill

THE POPULAR image of the brandy drinker is one of senior army officers and country gentlemen taking brandy in the library.

Next to this image is the equally common view that *brandy is drunk by expense-account businessmen after lavish restaurant meals.*

But the reality as shown by *market surveys is that brandy* is very much a universal drink—imbibed with as much fervour by the shipyard worker or coal *miner* in his northern club as the executive in a West End restaurant.

Moreover, brandy is no longer exclusively a male preserve; women drinkers account for nearly half of brandy sales. *And younger people are also* switching to brandy and a mixer as a "new" drink.

It is this changing market *profile—allied to the improve*ment in living standards in the late 1970s—that has restored buoyancy to the brandy market. Indeed, the brandy business looks like ending the decade in a much more healthy position than had seemed possible only a few years ago when the combination of economic recession and duty increases severely cut back growth.

Now, however, the brandy industry is looking forward to the 1980s as a period of real growth in the UK market as well as the continued exploitation of overseas markets, especially the *Far East* and now China.

Customs and Excise figures show that, in 1978, brandy consumption was up substantially on previous years. Cognac sales were up by a quarter on 1977, with the cheaper grape brandies selling at least a fifth more.

Overall, the picture for brandy sales is one of steadily rising demand in the early *1970s, which* reached a peak in 1973-74. This was followed by a sharp cut-back in the mid-1970s as the recession bit *into consumers'* pockets, and since then the market has gradually recovered. Cognac sales by volume are now marginally *higher than the early 1970s, but* the growth of grape brandies has seen their sales treble throughout the decade.

Brandy is *basically* a grape wine which has been distilled—but within this broad definition lie three main types of brandy. There is cognac from the Charente region near the coast just north of Bordeaux: armagnac which comes from south-west France below Bordeaux; and grape brandy which can be made in other parts of France where it does not qualify *for* the titles of the first two regions. There are also grape brandies from Italy, Spain, Ger*many, California, Australia* and many other countries, as well as the different fruit brandies.

The origin of brandy stems from the 14th and 15th centuries and it was probably the first spirit to be exported on a large *scale. The port of La Rochelle* was a flourishing trade centre. The English and the Dutch brought wood, salted fish and *furs in exchange for the local* salt—considered the best in the world—and the local wine.

As the art of distilling spread throughout Europe, the French wine producers experimented with their wine and found that distillation produced a fine-flavoured spirit. Moreover, the distillation process meant that the equivalent of nine barrels of wine went into one barrel of brandy — thus making it economic to export.

Popular

The French called their distilled wine "eau de vie" but *the Dutch traders preferred to* describe it as "brandwijn" or burnt wine. From this, the English called it brandewine *which eventually was shortened* to the word brandy.

Armagnac is said to have been the first to produce high quality brandy—with evidence claiming its production as far back as 1411. Cognac is said to have started in the 17th century.

Cognac, however, is by far the most popular brandy although its share of the UK market has slipped throughout the 1970s.

In 1972, some eight out of every 10 cases of brandy contained cognac, while now only about two-thirds are cognac. The cognac market has been eroded by the price differential with Armagnac and other grape brandies, which have become relatively cheaper.

*However, cognac is still tradi*tionally thought of as the brandy and is most often served in a pub or restaurant when a brandy is asked for—although an ordinary grape brandy can still legally be served.

Most often a pub will push the brand distributed by the tied brewer. In the cognac market, Allied Breweries and Whitbread *own J. R. Phillips, the UK agent* for Courvoisier, the number two brand. Grand Metropolitan owns IDV, the UK agent for Hennessey, while Bass *owns* Hedges and Butler, UK agent for Remy Martin. Only Martell, the leading brand, is not directly linked to a major brewery through its UK agents, Matthew Clark and Sons.

In the grape brandy sector, Allied Breweries also has links with the leading Three Barrels brand, while Bass has Grand *Empereur.*

In off-licences, however, there is greater freedom for customers to choose on price and other factors. The Mintel market research company estimates that, while cognac and armagnac have around 95 per cent of the on-licence trade, their share *falls to 30 per cent of off-licence* sales.

The proliferation of cheaper non-cognac brandies over the past few years has encouraged the wider and more varied use of mixers. But cognac still remains the premier choice of drink to round off a formal meal or restaurant dinner.

Research by Mintel has shown that around 65 per cent of brandy drinkers consume it at *home or in someone else's home,* while under 10 per cent drank it in a restaurant.

Yet so strong are the traditions about brandy drinking that many consumers — especially middle-class men—are reluctant to admit that they add soft drinks to brandy. It is almost seen as an admission of poor taste, showing a lack of dis*crimination.*

Surveys have shown, however, that some 60 per cent of brandy drinkers do mix their drink at some time, the proportion being slightly lower among confirmed cognac drinkers but significantly higher among those who choose to drink the grape brandies. Some brandy drinkers even buy cognac for drinking neat and grape brandies for mixing.

Various mixes are used, with *lemonade, ginger ale,* and water being most commonly used. Water, in fact, was almost exclusively used by the over 45s, *according to Mintel's* research.

Women are more likely to mix brandy than men, the young more likely than the old, the infrequent drinker more than the habitual drinker, and the *new* drinker rather than the established.

The main reasons for mixing are that *brandy* becomes part *of* a *long drink* and also that it dilutes what is considered to be a drink high in alcoholic strength. It is also noticeable that those more willing to mix are less likely to be bound by the traditions and mystique sur*rounding brandy. Thus orange*ade, cola and grapefruit juice are among mixers used with brandy.

However, ginger ale and dry ginger remain the most popular mixers, but more unusual and expensive combinations are becoming increasingly popular. Babycham, in particular, is a significant mixer with brandy especially among women brandy drinkers.

Brandy advertising is mainly in the Press and on posters, with *direct television advertising* banned by voluntary agreement. Mintel estimates that in 1977 total brandy advertising in the Press amounts to almost £1.5m, with all but £250,000 spent on cognac advertising.

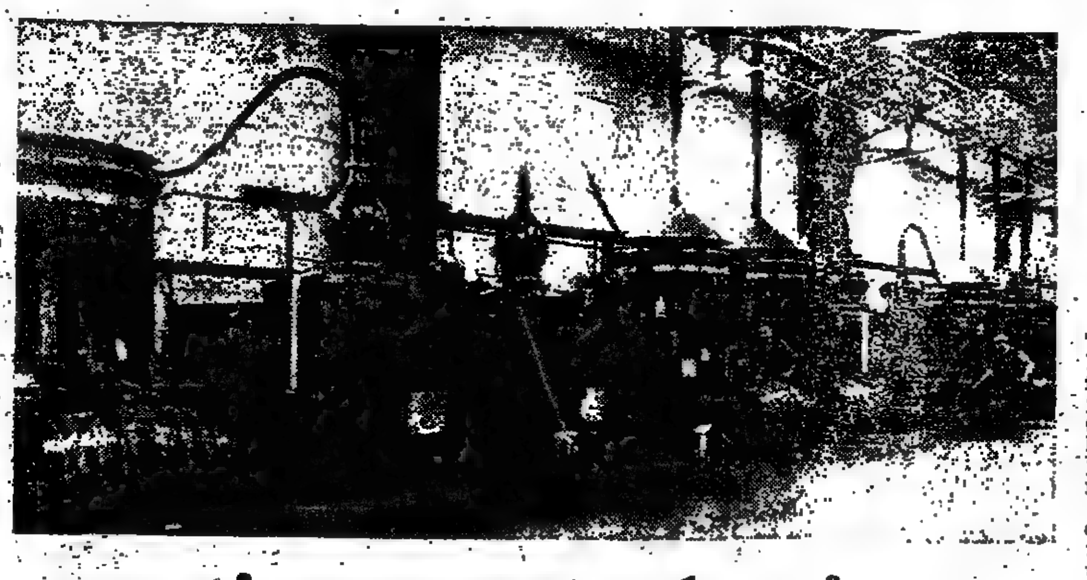
The tone of the advertising is generally aimed at maintaining an image of brandy—while not a drink solely for country gentlemen any more, still as a drink with a unique taste and flavour. One advertising man even quotes Dr. Samuel Johnson's dictum on drinking (to Boswell): "Claret is the liquor *for boys, port for men . . . but* he who aspires to be a hero must drink brandy."

The distiller's job in producing cognac is still an art rather than a science: Here a Courvoisier distiller samples the initial product of distillation

U.K. BRANDY CONSUMPTION, '000 proof gallons

	Cognac	Other
1974	1,834	757
1975	1,552	759
1976	1,631	926
1977	1,423	787
1978	1,725	930

Source: Customs and Excise.



Above: Cognac is matured in casks made of oak from the Limousin forests. [illegible] Martell's distillery at Logis St. Martin.

Cognac keeps its popularity

ALTHOUGH THE dominance of cognac in the UK market may have been eroded in recent years by some consumers switching to cheaper grape brandies, there can be little doubt that brandy produced from the cognac region of France is still the most popular.

The UK is the largest market for cognac outside France, with some 17.7m bottles imported into the UK last year, representing a sales growth of some 4 per cent. However, the UK's position is being challenged by the US, which increased its cognac consumption by a quarter last year to reach 14.8m bottles.

The secret of cognac's world-wide popularity lies in a number of factors, including the strict legal controls on its production, the chalk in the soil, the maturing in casks of Limousin oak, the skills of the distillers and the unusual grapes used which make a poor white wine but an exceptional brandy.

Only brandy produced within a strictly defined area—the Charente region near the coast just north of Bordeaux—can be described as cognac. The boundaries were last defined in 1909 and practically correspond with the geographical extent of the two departments of the Charente and the Charente Maritime. The boundaries include seven crus, or areas, which form concentric circles around the heart of the region, the city of Cognac.

Winemaking in Charentes does not differ basically from winemaking in any other area. As soon as it is picked the grape is pressed to obtain the must and the must is then put into vats, where after fermentation it becomes wine.

Distillation is carried out under supervision of the Excise authorities. The wine is distilled either by the farmers themselves or, as happens more frequently nowadays, by the great brandy houses or their representatives.

As with malt whisky, the cognac producer uses a pot still which must conform to legal requirements. The apparatus that is used in the Charentes has not altered throughout the ages: it bears a strong resemblance to the alchemist's still of the Middle Ages.

The distillation of cognac is done in two stages or *chauffes*. When the fermentation is over the wine is put into the still and then boiled. The vapour passes through the swan-neck pipe and is then condensed by means of a water-jacket, and flows out in the form of *brouillis*. The *brouillis* then goes through the still again and what comes out is called *la bonne chauffe*.

The distiller has to be a good taster to separate the imperfect products that appear at the beginning and end of distillation and only keep the heart of the *bonne chauffe* which will become cognac. When it comes out of the still the cognac is colourless and is as limpid as spring water. It has an alcoholic strength of 68-72 degree Gay-Lussac (percentage of alcohol by volume), has a penetrating and subtle scent and already possesses the intrinsic qualities of cognac.

As soon as the distillation is over the cognac is put into casks made of oak which comes from the forests of Limousin or from the centre of France, notably the forests of Troncais. Over the years the cognac extracts the tannin from the wood during the process of oxidation which takes place through the pores of the wood, and loses some of its volume as well as its strength.

This evaporation, which is poetically known as the "angel's share," represents a loss in any one year of more than 4 per cent of the stock. It is during this ageing period in the warehouses that the change takes pace from a strong and colourless liquid into a liqueur with an amber colour. Unlike wine and champagne, which age in bottle, cognac only ages in oak casks in warehouses built at ground level in order to undergo the seasonal variations of weather and temperature. Cognac cannot age indefinitely, and after 60 years in a barrel, it runs the risk of losing part of its qualities. Cognac, after being bottled, no longer ages.

Control

To ensure the consistent quality of cognac, all production is subject to control through the Bureau National du Cognac. Cognac quality is split into three main grades: the three-star brandy, the Very Strong Old Pale (VSOP) and higher qualities which have various names.

In the UK, three-star cognac is the most popular, accounting for some 95 per cent of the market according to the Mintel market research company. The VSOP and other qualities appeal only to a limited section of brandy drinkers, although in the Far East, VSOP quality forms more than 85 per cent of the trade.

The clear market leader in the UK is the Martell company. The Martell family was founded in Jersey, near St. Helier, in the 11th century but it was in 1715 that Jean Martell left Jersey to found the company in Cognac. Since the time of Jean Martell, eight generations of the same family have contributed to the company's growth.

Although no official market share figures are given for cognac sales in the UK, unofficial estimates suggest that Martell is the clear leader with some 40 per cent of the market, with Courvoisier in second place. Then Remy Martin and Hennessy vie for third place, with a number of much smaller brands making up the rest of the market.

Martell is the only major UK brand that is not directly linked to a leading brewery group. Its UK distributors are Matthew Clark and Sons. Apart from three-star Martell cognac, the Martell range includes Medaillon 15-year-old V.S.O.P., the 30-year-old Cordon Bleu, the 50-year-old Cordon Argent and the 60-year-old Extra.

Courvoisier is distributed in the UK by J. R. Phillips, which is owned by Allied Breweries and Whitbread. Courvoisier itself is owned by the Canadian company Hiram Walker.

Remy Martin's UK agents are Hedges and Butler, which is owned by the Bass brewery group. Remy Martin is particularly strong on V.S.O.P. brandies, although it has launched a V.S. grade in the past two years to compete with the three-star market. The particular strength of V.S.O.P. sales in the Far East gives Remy Martin the edge worldwide in total cognac sales. Hennessy's UK agent is International Distillers and Vintners, owned by Grand Metropolitan. There are a number of other brands on the UK market such as Hine and Bisquit, Gaston de La Grange.

The City-based commodity dealers, E. D. and F. Man (Victuals) has recently acquired the UK agency for Camus cognac.

Although cognac exports represent more than 80 per cent of total sales, the French market remains number one. The UK is second, with the U.S. third, although the EEC countries together account for more than 50 per cent of sales. Germany is in fourth place with nearly 10.1m bottles last year (up by 14 per cent).

Luxembourg, which has only a modest aggregate consumption of cognac, is still the leader in brandy consumed per capita.

Cognac producers are very concerned to tell people that brandy has medicinal qualities as well as being a pleasant drink.

Moreover, Martell reminds "those who are tempted to include cognac in their general anathema against alcohol that a brandy whose quality is more in its aroma than in its strength and whose charm is mainly for an educated palate, is unlikely to intoxicate."

Martell adds: "It is as improbable that the lover of cognac will become a drunkard as it is that the drunkard will become a lover of cognac."

David Churchill

Marketing effort for armagnac

THE producers of armagnac, land-locked in Gascony away from the navigable rivers and ports so vital to success in export markets, have long lived in the shadow of their better-placed brothers in the Cognac region.

And although they proudly claim that armagnac was the first potable wine-based spirit to be distilled in France—200 years before cognac, they say—they were unable to make any efforts to distribute it very far beyond their region until the middle of the last century, when canals and roads began to open up the country around them.

Armagnac, produced exclusively in an area roughly in the centre of a triangle taking in Bordeaux in the north, Toulouse in the east, and Bayonne in the west, has had a mixed and often unhappy history.

At the end of the 19th century, when the growers were at the height of their prosperity, about 100,000 hectares were planted with the characteristic vines—including a large proportion of *piquepol*, a variety of the better-known *folle blanche* of the Charentes.

Then it was all swept away. The whole area was all but destroyed by the ravages of the phylloxera pest, and little was done to rebuild the industry until the end of World War I.

Even then only 50,000 hectares of vines were reinstated. Further disruption followed during World War II, and by the end of it the vine area was only 53,000 hectares.

Still the troubles were not over. While average wine yields remained relatively stable in the post-war years, distillation of the wine into armagnac fluctuated wildly under commercial and economic pressures. In the 1949-50 season (the crop year runs from September to August) spirit output in the region was less than 2,000 hectolitres compared with 45,000 hectolitres in 1944-45.

The general instability made it impossible for stocks to be maintained properly. Because all brandies have to be aged it is essential that normal end-of-season reserves should be maintained at about five times annual sales.

Recovery really got under way in 1962 when the fruits of a succession of more satisfactory grape harvests combined with aid from the French Government helped to restore balance. Since 1968 sales have been rising steadily at home and abroad under the care of keen commercially-minded producers and the attentive eye of the Bureau National Interprofessionel de l'Armagnac.

In the past 10 years or so trade has improved remarkably and now more than a third of sales are for export. The French market absorbs about 420,000 cases a year; some 265,000 cases go abroad.

More than half of exports go to West Germany, but there has been a startling increase in sales to Britain. A generic advertising campaign in the early 1970s gained a toe-hold for distributors and now individual producers and merchants are starting to build on that.

Climbed

In the 1975-76 marketing year Britain imported 12,148 cases. In 1977-78, the latest for which figures are available, imports had climbed to 26,560 cases and Britain now takes about 10 per cent of all exports from France.

UK marketing experts, optimists all, reckon that if they can keep up their efforts, development of the British market could ultimately boost sales here as high as 100,000 cases a year. M. Michel Janneau, one of the most successful suppliers in the British market, with a generally acknowledged market share of around 30 per cent, is more circumspect.

He shrugs at such suggestions, preferring to take each year as it comes. There are other and possibly more fruitful markets to be worked on around the world, and prospects in all of them have to be weighed carefully one against the other. And it must not be forgotten that the limited promotional capacities of this relatively small-scale industry are no match for those of "Big Brother" in Cognac.

It is not easy for such a small brotherhood as the armagnac producers to maintain a full-scale watch on world markets. They have to be careful to maintain reserves to match growth in sales, and the important home market must not be neglected.

Demand in France is tripping along nicely. From 338,000 cases in 1975-76 sales climbed to 418,000 in 1977-78. Growth in overall exports have been moving steadily recently at an average annual rate of about 7 per cent to 264,000 cases in 1978.

In Britain there are about 20 shippers, with the Janneau and Sempé brands between them taking almost 60 per cent of the market. All are building sales on a high-quality image, anxious to fix armagnac's identity as positively separate from that of cognac and especially to set it well apart from the ordinary grape brandies on sale here.

Armagnac is widely regarded as a connoisseur's drink, and even though the different blends are generally cheaper than comparable cognacs, its quality associations enable it to sell at a premium in restaurants, which account for 60 per cent of all UK consumption.

In developing the product's style much is made of its historical links and the superiority imbued into the liquor by the tales of its fortification of the rapier-arm of d'Artagnan, the most notable Gascon in history and legend.

As for its peculiar attractions among the cognoscenti of the spirits world, armagnac is said to be more "typed," more *fruité* and more refined than its competitors, although the Larousse Gastronomique suggests it has a flavour little different from that of cognac.

While the grapes from which it is produced are similar in most ways to those grown for cognac manufacture, the distillation process differs and the key maturing process is carried out in special casks made from local black-veined Gascony oak.

Although not much known at the fashion-conscious younger end of the drinks market either in France or in its growing export markets, the spirit is soundly based in what might be termed the gastronomic establishment. There it appears to have the best chance of expansion as one of the other speciality brandies in competition with the all-powerful cognac.

Christopher Parkes

Grape brandies doing well

MENTION GRAPE brandy to a cognac importer and his eyes tend to glaze over. His reaction is not altogether without reason, since some of the concoctions distilled from nameless ingredients and with the addition of all manner of flavourings and colourings are sufficient to give a nasty shock to the strongest of palates and might well be better employed in the fuel tank of a motor car.

But even the cognac *aficionado* might be prepared to admit that the better grape brandies are a challenge in quality to the lower grades of cognac—while being considerably cheaper.

The terms "grape" or "other" brandy are used to refer to spirits produced anywhere in the world except Cognac and, depending on your standpoint, Armagnac. The title "grape" brandy suggests that the spirit should be a result of distillation of the products of the vine, although this is often taken in the loosest sense, much grape brandy being made from the last pressings which include the grape skins, stalks, pips, etc. And the term "other" brandy includes the many fruit spirits distilled from plums, apples etc., and including such products as slivovitz and calvados and other up-market spirits.

In their country of origin many of these products are extremely cheap—as anyone who has bought a bottle of the cheapest range of Domecq's Fundador in a duty-free shop at a Spanish airport will realise. However, since the application of duty on spirits imported into the UK takes no account of anything but alcoholic content, and since duty accounts for over 60 per cent of the price in the UK, it means that many of the cheaper grades (the "cooking" brandies that can be found in Greece, Spain and other countries), would simply not hold their own in the British market when priced at £4.50 to £5. To this degree at least the cognac shippers may be said to have an advantage, in that the UK market cannot be flooded with very cheap brandies.

So, what we see in this country are the better grape brandies, which are able to compete at around the same price as gin, scotch and vodka, and which in the past few years—largely because of the price differential—have made some inroads into the traditional cognac market. Indeed grape brandies have been one of the most dynamic growth areas during the past decade, although, as in other areas of the drinks market, this growth is hard to chart statistically—in this case because figures on grape brandy and cognac were not separated until 1975.

UK imports of "other" brandy last year stood at 1.03m gallons proof spirit compared with 1.97m gallons of cognac, roughly a 2:1 ratio, a ratio which becomes 6 to 1 when measured in value terms. Consumption figures for 1978 show other brandy to have rather more than a third of the market.

The undisputed market leader is Three Barrels, marketed in the UK by Woolley, Duval and Beaufoys, a subsidiary of Vine Products, which is part of Allied Breweries. The company identified the market in the early 1970s and promoted the brand heavily through advertising. Today it holds around a third of the market.

Vying for second place, with around 10 per cent each, are Bardinet Napoleon (United Rum's brand), Grand Empereur, marketed by Hedges and Butler (owned by Bass), and White Swan. United Rum reports a 40 per cent rise in sales of Bardinet Napoleon during the first half of this year.

The market leaders are all French brands, but among the other brandies available in the UK are those from Italy, South Africa, West Germany, Spain, Greece, the U.S. and various other countries.

The pattern of brandy sales in the UK is absolutely clear. Cognac is sold roughly 50:50 in pubs and restaurants and through off licence sales, while other brandies are almost entirely sold through the off-licence and wine shop trade. When you order a brandy in a pub you will almost invariably be given a cognac, and this is not an area in which the grape brandy producers have felt the need to make any sort of challenge. Instead they have built their sales growth on the fact that the person buying a bottle of brandy may be put off by the £7 or more that he will now have to pay—particularly if it is going to be mixed with cola, ginger ale or bitter lemon, where the difference is likely to be indistinguishable.

At present, grape brandy appears to be one of the most confident sectors of the drinks industry, a confidence that is reflected in the imminent UK launch of a Mariacron brand, produced by Peter Eckes in Germany and currently Europe's top selling brandy, whose marketing in this country will be handled by the Merrydown Wine Company.

Colin Inman

APPOINTMENTS

Roy Ling takes over as head of Belhaven

Mr. Roy H. Ling, managing director of BELHAVEN BREWERY GROUP, has taken over as chairman on the departure of Mr. Gordon A. S. Currie, who has resigned as chairman and from the Board. Mr Currie has left Belhaven to become chairman and managing director of GREENSTAR LEISURE, which operates a private group of entertainment companies.

A spokesman for Belhaven said that Mr Ling came to the group as a consultant to advise on packaging. His company, Ashpoint, was then acquired by Belhaven and he joined the Board. Earlier this year he was made managing director. During his period with the company it had recovered from its losses and profit figures are to be announced on August 3 together with a restored final dividend.

The group has continued to progress well, the spokesman added, and the first-quarter profits (also to be reported on August 3) already exceeded the whole of the 12 months' profits to April 2, 1979.

★

Dr. John Watkinson is to leave the PLESSEY COMPANY on July 31. After joining the company as a corporate staff director Dr. Watkinson was involved in restructuring the Dynamics Division and in establishing *Plessey Hydraulics International* Plessey Aerospace, and Plessey Dine as separate subsidiaries. Since April, 1978, he has concentrated on the reorganisation and rationalisation of *Plessey* Aerospace at Romford and Titchfield.

★

Sir John Buckley, executive chairman of Davy Corporation, will resign as chairman of ALFRED HERBERT on September 30. Sir John, who was appointed acting non-executive chairman in May, 1975, has served for four years during a major reconstruction programme. He will be succeeded as non-executive chairman by Mr. Peter Rippon. Mr. Rippon, who is managing director and vice-chairman of Lindustries, has been a member of the Herbert board since September, 1978. Mr. Walter Lees continues as chief executive of Alfred Herbert.

★

Mr. W. A. L. Roberts has been appointed chairman of MANCHESTER LINERS and continues as managing director. Mr. F. B. Stoker, who is 65, has relinquished the chairmanship and has also resigned from the Board of Furness Withy. He will be devoting more time to other business interests and commitments.

Mr. R. G. Sharpe has been appointed chairman of BRANTFORD INTERNATIONAL, the freight forwarding subsidiary of the Furness Withy Group, in addition to his position of managing director. Mr. Sharpe succeeds Mr. B. P. Shaw, who has recently been appointed chairman and managing director of the Furness Withy Group. Mr. Shaw remains a director of Brantford International. M. J. J. Gawne will join the Brantford Board as a non-executive director, to replace Mr. G. N. A. Murrant who has relinquished his directorship on retiring from the group.

★

Mr. J. D. Lockhart has been appointed managing director of TRANSPORT DEVELOPMENT GROUP. Mr. J. B. Duncan will continue to be full-time chairman and also chief executive.

★

Mr. A. L. Hunt has been appointed marketing director of LUIS GORDON AND SONS.

★

Mr. R. L. A. Bell has been appointed assistant manager at the Leeds branch of SCOTTISH PROVIDENT. He was formerly an inspector, Newcastle branch. Mr. Noel O. Hynes is to become assistant manager Cardiff branch from August 1. He is at present an inspector, Croydon branch.

★

Mr. L. S. Michael has joined the board of ASSOCIATED COMMUNICATIONS CORPORATION.

★

Mr. D. G. Stradling, Laing group personnel director, has been appointed to the board of JOHN LAING CONSTRUCTION. Mr. R. A. Wood, secretary of John Laing, the parent company, has joined the board of John Laing International.

★

Mr R. W. Cameron has been appointed a director of WILLIS FABER AND DUMAS.

★

Mr John Farthing, a director of STANLEY GIBBONS LIMITED for many years, has been appointed managing director of that company. He is also a director of Stanley Gibbons Auctions and Stanley Gibbons International.

★

Mr Nigel Dearsly has joined the OFFER GROUP OF COMPANIES as managing director of the newly-formed commercial and industrial development company, SALAMANDER SECURITIES. Chairman of the new concern is Mr A. M. Offer. Mr Dearsly was formerly managing director of Higgs and Hill Property Holdings.

★

Mr Gordon Davidson has been appointed to the full-time post of general manager, associated companies, BRITISH CALEDONIAN. He has been associated with the company since April, when he was contracted as a consultant, responsible for the BCAL Concorde studies. Mr Davidson succeeds Mr George Broom, who has retired.

Stock Exchange dealings

Thursday, July 12	15,075
Wednesday, July 11	15,962
Tuesday, July 10	16,023
Monday, July 9	16,217
Friday, July 6	15,204
Thursday, July 5	17,133

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. ● Bargains done previous day. ‡ Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mx—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (586)

CORPORATIONS (26)

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BOARDS (16)

COMMONWEALTH GOVTS. (8)

REGISTERED AND INSCRIBED STOCKS

Nyasaland 5pc 94½ (9/7). 6pc 88¼ (9/7). Southern Rhodesia 2½pc 89½● ... 3pc 99 (6/7). 3½pc 1961-66 82 (9/7). Do. 1967-69 89½●. Do. 1980-85 80 (11/7). 4pc 102 (6/7). 4½pc 1977-82 102●. Do. 1987-92 79

FOREIGN STOCKS (1)

COUPONS PAYABLE IN LONDON

Ireland (Rep. of) 9½pc 85¼ ½ ½. Barclays Bank Inter. 9¼pc $US102¼ 3¼

STERLING FOREIGN CURRENCY BONDS

Finance for Industry 10pcStlg.U.S.$ Bonds 87½ (9/7). 13pcStlg.U.S.$ Bonds 103¼ ½ (9/7). Financiering Maatschappij D'Oranjeboom 10¼pcGtd Stlg. Bonds 90¼ (10/7). General Electric 12½pc 101½ (10/7). Gestetner Hldg. B.V. 11pc 98½ (9/7). Rowntree Mackintosh B.V. 10¼pc 91¼ (10/7). Whitbread 10½pc 90½ ½ (10/7)

FOREIGN CORPS. (1)

Kieff (City of) (Mun. Elec. Tram) 5pcLn. 6 (6/7)

BANKS (103)

BREWERIES (118)

COMMERCIAL (1,969)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

G—R—S

T—U—V

Primary school 'built to save fuel'

Financial Times Reporter

THE CHURCH of England is to build a primary school in the West Midlands specifically designed to save fuel. The £650,000 building at Walmley will be monitored for four years to assess the design.

The 16-classroom building, for 280 children, will be by the Turriff Corporation. The architects are *John P. Osborne and Son of Birmingham.*

SINGAPORE

July 13	$	July 13	$
Industrials		Straits Trdg	6.70
		Times Pub. Berhad	2.90
Boust'ad Co.	—	U. Engin'ers	1.45
Boust'ad Bd	3.18	U. Ov's Bk...	3.50
Bovis	0.41	Wearnes	2.52
Dunlop	†4.42	Tractors	5.85
Esso	4.14	Chemical	6.10
Fraser Nave	6.35xd	Wilm. Jacks	†1.54
Haw Par	1.45	Rubbers	
Hume Ind	1.89	Btu. Lintang	2.57
Inchcape	1.76	Dunlop Est.	4.0
Malay Brew	5.50	Kempas	5.15
Malay Cemt	‡3.48	Tins	
Met. BxSing.	—	Austral. Am.	—
Ov's ChinBk	6.70	Berjuntai	8.10
Pan El'ctric	1.35	Kampar	—
Robins'n Co.	†2.23	Kuchai	—
Rothman	†4.50	Lower Perak	—
Shell	†2.86	PetalingTin	‡9.50
Sime Darby	3.24	SupremeCp	—
Cold St'r'ge	2.13	Tongkah Har.	—
StraitsSte'm	2.35		
Straits Tms (1975) Ltd.	5.85		

† Bid. ‡ Seller.

CINEMAS

CLASSIC POLY. Oxford Circus (upper Regent St.) 637 9863. Jane Fonda, Vanessa Redgrave, JULIA (A) 4.40, 8.50. Shirley Maclaine, Anne Bancroft TURNING POINT (A), 2.30, 6.40.

CURZON. Curzon Street, W 1. 499 3737. Fully Air Conditioned LEE REMICK in THE EUROPEANS (U). Progs. 2.00 (not Sun.), 4.10, 6.20, 8.40. 'As near perfection as one could wish ... a treat of a film.' Alexander Walker Evening Standard

LEICESTER SQUARE THEATRE 930 5252. BUTCH AND SUNDANCE—THE EARLY DAYS (A). Sep. perfs. wks. 1.45, 5.00, 8.15. Sun. 3.30, 7.30. Late Night Show Fri. and Sat. 11.45 pm. Seats bkble. for 8.15 Progs. Mon.-Fri. and all progs. Sat. and Sun. No late show bookings.

ODEON LEICESTER SQUARE. 930 6111. MOONRAKER (A). Sep. perfs. Wks. doors open 1.00, 4.20, 7.45. Sun. doors open 1.00, 4.20, 7.45. Late Night Show Tues.-Sat. doors open 11.15 pm. All seats bkble. in advance at Box Office or by post.

ODEON MARBLE ARCH W2 723 2011-2. THE SHAPE OF THINGS TO COME (A). Sep. perfs. Wks. doors open 2.00, 4.45, 7.45. Sun. doors open 3.00, 7.15. Late Night Show Sat. Doors open 11.00 pm.

PRINCE CHARLES. Leic. Sq. 437 8181. DUSTIN HOFFMAN VANESSA REDGRAVE AGATHA (A). Sep. Perfs. Daily (inc. Sun.) 2.30, 5.55, 8.30. Late Show Fri. and Sat. 11.15. Seats bookable. Licensed Bar.

SCENE 3. Leic. Sq. (Wardour St.) 439 4470. A Mel Brook's Double Treat. YOUNG FRANKENSTEIN (AA). 1.40, 5.20, 8.55. SILENT MOVIE (A). 3.35, 7.15. Late Show Fri. and Sat. 10.55

STUDIO 1 & 3, Oxford Circus. 437 3300. Licensed Bar. 1. THE DEER HUNTER (X). 12.45, 4.05, 7.30. Late Show Sat. 10.50. 3. Agatha Christie's DEATH ON THE NILE (A). Progs. 2.30, 5.25, 8.10. Late Show Sat. 10.40.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

JULY 12

Ann Street Brewery 400
Applied Computer Techniques (Hldgs.) 190
Arsenal FC £152
Baker (John) (Insulation) Pfd. 207 5 2

JULY 10

Ann Street Brewery 415
Aran Energy 73
Aston Villa FC (1 vote) £18½
Baker (John) (Insulation) Pfd. 205
Burrough (James) 143
Cambridge Instrument (1p) 2½ 1⅞
Cambridge Instrument (10p) 2⅞
Camra (Real Ale) Invs. 105
Channel Hotels and Props. 19
Clyde Petroleum 215

All England Lawn Tennis Ground £50Dbs. 1976-80 £1025 975
Applied Computer Techniques 177 6
Aran Energy 80 70
Assd. Tea Ests. Ceylon 29
Baker (John) (Insulation) Pfd. 200
Booth (Charles) 28
Cambridge Instrument (1p) 2½ 2
Carlton Real Ests. 27½
Car's Milling Inds. 7½pcLn. £44
Clairmace 23
Clarpes Pharmaceuticals 5½pcPf. 32
Clyde Petroleum 228 3 2 20 18 16 14 26
Jessel Tst. 10pcPf 25

JULY 6

Candecca Resources 81 80 79
CCP North Sea Associates £19½
Cleff Oil £5¼
Siebens (UK) 236
Viking Oil 275 70 65 2 60

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CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979)

The Treasury bill rate rose by 0.1018 per cent to 13.3451 per cent at yesterday's tender, and the minimum accepted bid fell to £96.66½ from £96.69½ the previous week. Bids at that level were met as to about 2 per cent and above in full. The £300m bills on offer attracted bids of £829.16m and all bills offered were allotted. Next week a further £300m will be on offer replacing a similar amount of maturities.

Day to day credit was in short supply in the London money market yesterday and the authorities gave assistance by buying a small amount of Treasury bills and a small number of corporation bills, all direct from the discount houses. Total assistance was still termed as small. The market was faced with a small net take up of Treasury bills to finance an increase in the note circulation and a small excess of revenue transfers over Government disbursements. On the other hand banks brought forward balances a small way above target.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

Trading in yesterday's foreign exchange market was typically quiet ahead of the weekend, with the incentive to trade drained even more ahead of President Carter's scheduled energy speech.

Against the D-mark, the dollar eased to DM 1.8245 from DM 1.8270 and to SwFr 1.6510 from SwFr 1.6550 in terms of the Swiss franc. On Bank of England figures, however, its trade weighted index rose from 84.5 to 84.6.

Sterling opened at $2.2225 and rose to $2.2290 before coming back before midday to $2.2250. A rise of 1.7 per cent in June in the Retail Price Index saw sterling weaken to $2.2160, but it recovered to $2.2200 soon afterwards. In the last half hour or so, dollar sales pushed up the rate to $2.2280-2.2300 at the close, the wide spread reflecting the lack of business, and showed a rise from Thursday of 15 points. Using Bank of England figures, the pound's trade weighted index eased slightly to 71.0 from 71.1, having stood at 70.9 in the morning and 71.0 at noon.

Gold lost $2¾ an ounce to close at $287¾-288½ on position squaring ahead of President Carter's speech.

OTHER MARKETS

July 13	£	$		£ Note Rates
Argentina Peso	2959-2979	1325-1335	Austria	29.0-30.0
Australia Dollar	1.9715-1.9755	0.8845-0.8860	Belgium	68.0-69.0
Brazil Cruzeiro	57.68-58.58	25.80-26.25	Denmark	11.60-11.75
Finland Markka	8.65-8.70	3.8575-3.8595	France	9.35-9.50
Greek Drachma	n.a.	n.a.	Germany	4.00-4.10
Hong Kong Dollar	11.40-11.42	5.1390-5.1410	Italy	1,800-1,825
Iran Rial	159.70-166.35	72-76	Japan	480-490
Kuwait Dinar (KD)	0.607-0.617	0.2760-0.2761	Netherlands	4.40-4.50
Luxembourg Frc.	65.35-65.45	29.55-29.75	Norway	11.15-11.30
Malaysia Dollar	4.7890-4.7990	2.1625-2.1635	Portugal	102-106
New Zealand Dlr.	2.1830-2.1890	0.9795-0.9820	Spain	145-148
Saudi Arab. Riyal	7.40-7.50	3.3580-3.3595	Switzerland	3.60-3.70
Singapore Dollar	4.7880-4.7980	2.1625-2.1635	United States	2.23-2.24
Sth. African Rand	1.8745-1.8785	0.8410-0.8430	Yugoslavia	41-44

Rate given for Argentina is free rate.

THE POUND SPOT AND FORWARD

July 13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2160-2.2300	2.2280-2.2300	0.65-0.55c pm	3.23	1.90-1.80 pm	3.32
Canada	2.5740-2.5910	2.5885-2.5905	0.75-0.65c pm	3.24	2.00-1.90 pm	3.01
Nethlnd.	4.46-4.51	4.46½-4.47½	2½-1⅞c pm	5.03	5¼-4¾ pm	4.03
Belgium	65.10-65.50	65.35-65.45	10c pm-par	0.51	25-15 pm	0.68
Denmark	11.67-11.74	11.72½-11.73½	1½-½ore dis	0.56	1-3 dis	−0.47
Ireland	1.0735-1.0810	1.0740-1.0750	30-40p dis	−3.76	87-97 dis	−3.43
W. Ger.	4.05-4.09	4.06¼-4.07¼	3½-2¾pf pm	7.99	8¼-7¼pf pm	7.43
Portugal	108.20-109.00	108.65-108.95	30-90c dis	−6.65	60-180 dis	−6.47
Spain	147.00-147.75	147.60-147.70	100-130c dis	−5.29	270-370 dis	−4.02
Italy	1,828-1,837	1,834½-1,835½	2½-4½ lire dis	−1.63	7-10 dis	−1.37
Norway	11.24-11.30	11.27¾-11.28¾	4½-2½ pm	3.99	13½-11¼ pm	4.34
France	9.45-9.52	9.48-9.49	2½-1¾c pm	2.84	4¼-3¾ pm	1.58
Sweden	9.40-9.47	9.45½-9.46½	2½-¼ore pm	1.80	6¾-4¾ pm	2.43
Japan	482-487	484-485	2.55-4.25y pm	10.16	9.95-10.25 pm	8.21
Austria	29.85-30.00	29.92-29.97	22-12gro pm	6.81	55-45 pm	6.29
Switz.	3.67-3.71	3.67½-3.68½	4½-3½c pm	13.04	12½-11½ pm	12.46

Belgian rate is for convertible francs. Financial franc 68.65-68.75c pm. Six-month forward dollar 3.00-2.90c pm: 12-month 4.92-4.82c pm.

LONDON MONEY RATES

July 13 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	15½-14½	—	—	—	14¼	13½-13⅞	—	—	—
2 days notice	—	—	14	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	15⅞-14⅛	14-14⅛	—	14⅛	14⅜	13¾-13⅞	—	—	—
One month	14⅛-14	14-14⅛	14	14⅛-14⅝	14¼	14⅜	13⅛-13[illegible]	13[illegible]-13[illegible]	14⅛	14½
Two months	14⅛-13[illegible]	13[illegible]-14[illegible]	—	14⅜-14⅛	14⅜	14⅜	13¾	13[illegible]-13[illegible]	14[illegible]	14⅜
Three months	14[illegible]-13[illegible]	13[illegible]-14[illegible]	13¾	14⅛-13⅞	14⅜	—	13⅝	13⅝	13⅞-13[illegible]	14¼
Six months	13[illegible]-13[illegible]	13[illegible]-13[illegible]	13-13⅛	12¾-12⅝	13¾	—	—	—	12¾	14⅛
Nine months	12[illegible]-12[illegible]	12⅞-13	—	13-13⅝	13¼	—	—	—	—	—
One year	12½-12⅜	12⅝-12¾	12[illegible]-12⅝	12¾-12⅝	13	—	—	—	—	—
Two years	—	—	12⅜-12½	—	—	—	—	—	—	—

Local authority and finance houses seven days notice others seven days fixed. * Long-term local authority mortgage rates nominally three years 12⅝-12½ per cent; four years 12¾ per cent; five years 12½-12⅝ per cent ⊕ Bank bill rates in table are buying rates for prime paper. Buying rate for four-months bank bills 13⅞ per cent; four-months trade bills 14⅛ per cent.

Approximate selling rate for one-month Treasury bills 13[illegible] per cent; two-months 13[illegible] per cent; three-months 13¾-13[illegible] per cent. Approximate selling rates for one-month bank bills 14 per cent; two-month 13⅞-13[illegible] per cent; and three-month 13[illegible] per cent; one-month trade bills 14⅜ per cent; two-month 14¼ per cent; and three-month 14⅛ per cent.

Finance House Base Rate (published by the Finance Houses Association) 13 per cent from July 1, 1979. Clearing Bank Deposit Rates for small sums at seven days' notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.3451 per cent.

GOLD

	July 13	July 12
Gold Bullion (fine ounce)		
Close	$287¾-288½ (£129.5-129.7)	$290½-291¼ (£130.2-130.6)
Opening	$289¾-290½ (£130.2-130.6)	$290½-291¼ (£130.0-130.4)
Morning fixing	$288.60 (£129.516)	$290.75 (£130.148)
Afternoon fixing	$287.45 (£129.558)	$29.75 (£130.323)
Gold Coins, domestically		
Krugerrand	$296½-298½ (£133½-134½)	$299-301 (£134-135)
New Sovereigns	$74½-76½ (£33½-34½)	$75¼-77¼ (£33¾-34¾)
Old Sovereigns	$95-97 (£42¾-43¾)	$95½-97½ (£42¾-43¾)
Gold Coins, internationally		
Krugerrand	$296½-298½ (£133½-134½)	$299-301 (£134-135)
New Sovereigns	$74½-76½ (£33½-34½)	$75¼-77¼ (£33¾-34¾)
Old Sovereigns	$95-97 (£42¾-43¾)	$95½-97½ (£42¾-43¾)
$20 Eagles	$417-422	$421-426
$10 Eagles	$234-239	$237-242
$5 Eagles	$169-174	$171-176

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.45-10.55 per cent; three months 10.50-10.60 per cent; six months 10.50-10.60 per cent; one year 10.20-10.30 per cent.

July 13	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	n.a.	10¼-10½	9⅛-10⅛	8⅝-8⅞	[illegible]	5[illegible]-5[illegible]	10-10½	13-17	—	−2⅞-2¼
7 days' notice	n.a.	10⅜-10⅝	9½-10½	8⅝-8⅞	[illegible]	5¾-5⅞	10-10½	15-18	10[illegible]-10[illegible]	2[illegible]-3½
Month	14⅜-14⅝	11⅛-11⅜	10⅝-11	9¼-9½	[illegible]	6-6¼	11⅝-11⅞	15½-17	10[illegible]-10[illegible]	4[illegible]-5[illegible]
three months	13⅞-14⅛	10⅝-10⅞	10[illegible]-11[illegible]	9⅝-9⅞	1¼-1⅜	5[illegible]-6[illegible]	12¼-12½	15¼-16¼	10[illegible]-10[illegible]	5[illegible]-5[illegible]
six months	13⅜-13¾	10⅝-10⅞	10½-10⅞	10⅛-10⅜	2[illegible]-2[illegible]	7-7⅛	12⅜-12⅝	14½-15½	10[illegible]-10[illegible]	6½-6[illegible]
one year	12⅝-13	10⅜-10⅝	10[illegible]-10[illegible]	10-10¼	2½-2⅝	7⅛-7¼	12-12¼	14-16	10½-10[illegible]	6[illegible]-6[illegible]

Long-term Eurodollar: two years 10-10⅛ per cent; three years 9[illegible]-10[illegible] per cent; four years 9⅞-10 per cent; five years 9⅞-10 per cent nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	[illegible]	40.4885	+2.61	+1.48	±1.53
Danish Krone	7.08592	7.25747	+2.42	+1.29	±1.635
German D-Mark	2.51064	2.52415	+0.54	−0.59	±1.1325
French Franc	5.79831	5.88304	+1.45	+0.33	±1.35
Dutch Guilder	2.72077	2.78125	+2.22	+1.09	±1.5075
Irish Punt	0.662638	0.667911	+0.80	−0.33	±1.665
Italian Lira	1148.15	1136.[illegible]	−1.00	−1.00	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

CURRENCY RATES

July 11	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	14	0.582386	0.619340
U.S. $	9½	1.30009	1.38020
Canadian $	11¼	1.50680	1.60213
Austria Sch.	3¾	17.4440	18.5179
Belgian F.	9	38.0764	40.4743
Danish K.	9	6.82807	7.26011
D mark	5	2.37487	2.52568
Guilder	8	2.61903	2.78390
French Fr.	9½	5.53448	5.88404
Lira	10½	1069.32	1135.79
Yen	4¼	282.360	300.209
Nrwgn. K.	7	6.57526	6.98047
Spanish Pes.	8	85.8267	91.3531
Swedish Kr.	7	5.50263	5.84855
Swiss Fr.	1	2.15155	2.28747

CURRENCY MOVEMENTS

July 13	Bank of England Index	Morgan Guaranty changes %
Sterling	71.0	−34.3
U.S. dollar	84.6	−8.9
Canadian dollar	81.1	−16.7
Austrian schilling	147.7	+18.8
Belgian franc	114.0	+13.4
Danish kroner	114.1	+2.9
Deutsche Mark	152.3	+43.0
Swiss franc	197.4	+81.8
Guilder	123.5	+18.6
French franc	93.9	−7.5
Lira	56.0	−49.1
Yen	131.5	+30.2

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EXCHANGE CROSS RATES

July 13	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.229	4.068	484.5	9.485	3.680	4.470	1835.	2.590	65.40
U.S. Dollar	0.449	1.	1.825	217.4	4.255	1.651	2.006	823.2	1.162	29.34
Deutschemark	0.246	0.548	1.	119.1	2.332	0.905	1.099	451.1	0.637	16.08
Japanese Yen 1,000	2.064	4.601	8.395	1000.	19.58	7.595	9.226	3787.	5.345	135.0
French Franc 10	1.054	2.350	4.288	510.8	10.	3.880	4.713	1935.	2.730	68.96
Swiss Franc	0.272	0.606	1.105	131.7	2.577	1.	1.215	498.6	0.704	17.77
Dutch Guilder	0.224	0.499	0.910	108.4	2.122	0.823	1.	410.5	0.579	14.63
Italian Lira 1,000	0.545	1.215	2.217	264.0	5.169	2.005	2.436	1000.	1.411	35.64
Canadian Dollar	0.386	0.861	1.571	187.1	3.663	1.421	1.726	708.6	1.	25.26
Belgian Franc 100	1.529	3.408	6.219	740.8	14.50	5.627	6.835	2805.	3.959	100.

U.K. CONVERTIBLE STOCKS 13/7/79

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.♡	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	150.00	47.6	77-80	6.8	4.7	− 8.7	−12 to 3	0.0	9.5	5.8	+14.5
British Land 12pc Cv. 2002	7.71	240.00	333.3	80-97	5.1	3.4	− 0.7	− 7 to 10	0.0	91.6	37.9	+38.6
Hanson Trust 6½pc Cv. 88-93	3.38	92.00	57.1	76-80	7.2	7.7	2.5	− 6 to 3	2.1	3.2	0.1	− 2.4
Slough Estates 10pc Cv. 87-90	5.50	217.00	187.5	78-85	4.6	—	− 1.9	− 2 to 10	34.4	39.9	2.5	+ 4.4
Thorn Electrical 5pc Cv. 90-94	4.19	114.00	29.1	75-80	4.4	3.4	− 1.5	− 7 to 3	8.8	4.6	− 3.6	− 2.1
Tozer, Kemsley 8pc Cv. 1981	0.78	90.00	153.9	74-79	9.1	14.0	6.4	− 1 to 11	0.0	0.0	0.0	− 6.4
Ultramar 7pc net R.Cv.Pfd.	14.97	1.56	0.5	76-82	6.4	2.9	− 4.1	− 4 to 8	22.0	21.0	− 0.6	+ 3.5
Wilkinson Match 10pc Cv. 83-98	11.10	79.00	40.0	76-83	12.7	13.0	27.4	21 to 30	28.7	31.4	4.2	−23.2

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Grtr. Manchester (061247 3760)	12	½-year	1,000	2-3
Grtr. Manchester (061247 3760)	12½	½-year	1,000	4-5
Reading (0734 592325)	14	maturity	1,000	6
Redbridge (01-478 3020)	11¾	½-year	200	4-5
Redbridge (01-478 3020)	12½	½-year	200	6-7
Wrekin (0952 505051)	12½	annual	1,000	4-5

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Aid to Thrift	8.25	8.75	—	—
Alliance	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Anglia Hastings and Thanet	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Bradford and Bingley	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Bridgwater	7.75	8.00	9.50	9.50 4 yrs., 9.10 2½ yrs., 8.75 2 yrs.
Bristol and West	7.75	8.00	9.25	—
Bristol Economic	7.75	8.00	9.25	8.25 3 months' notice
Britannia	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Burnley	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Cardiff	7.75	8.50	9.50	—
Catholic	7.50	●8.20	9.00	— ● 8.40 over £5,000
Chelsea	7.75	8.00	9.25	8.75 6 mths. not. £500 min., 8.50 3 mth.
Cheltenham and Gloucester	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Citizens Regency	7.75	8.30	9.50	9.80 4 yrs., 9.30 3 yrs., 9.05 2 yrs.
City of London (The)	8.00	8.30	9.25	9.85 3 yrs. increment share wthdrwl.
Coventry Economic	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs. min., 8.50 3mths.
Coventry Provident	7.75	8.00	10.00	9.50 4 yrs., 9.25 3 yrs., 8.75 2 yrs.
Derbyshire	7.75	8.00	9.25	8.50 up to 3 months' notice
Ealing and Acton	7.75	8.50	—	9.15 2 yrs., £2,000 minimum sum
Gateway	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Greenwich	6.45	8.10	9.25	9.60 4 yrs., 9.10 3 yrs., 8.25 2 yrs.
Guardian	7.75	8.25	—	9.25 3 mths., 9.60 6 mths., £1,000 min.
Halifax	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Heart of England	7.75	8.00	9.25	9.50 4 yrs., 8.50 3 months' notice
Hearts of Oak and Enfield	7.75	8.25	9.75	9.50 4 yrs., 9.00 2 yrs.
Hendon	8.00	8.50	—	9.00 6 months, minimum £2,000
Huddersfield and Bradford	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Lambeth	7.75	8.30	9.75	9.00 3 months' notice, £250-£5,000
Leamington Spa	7.85	8.10	■10.97	8.85 2 years. ■ 3 years
Leeds Permanent	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Leicester	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.35 3 mths.
Liverpool	7.75	8.00	9.45	9.80 4/5 yrs., 8.6 2 yrs., min. £1,000
London Goldhawk	7.75	†8.50	†9.75	†9.25 2 yrs., †9.00 1 yr.
Melton Mowbray	7.85	8.10	9.25	8.85 2 yrs., minimum £2,000
Mornington	8.25	8.75	—	—
National Counties	8.00	8.30	9.30	9.40 6 mths., 8.75 3 mths., min. £1,000
Nationwide	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Newcastle Permanent	7.75	8.00	9.30	9.50 4 yrs., 9.30 3 yrs., 9.00 2 yrs.
New Cross	8.50	8.75	—	—
Northern Rock	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Norwich	7.75	8.00	9.50	9.00 3 yrs., 8.75 2 yrs., min. £500
Paddington	7.40	8.40	10.00	9.00 3 mths., 9.25 6 mths., min. £1,000
Peckham Mutual	8.00	8.75	—	—
Portman	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Principality	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Property Owners	7.75	8.50	9.75	9.00 3 months' notice
Provincial	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Skipton	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.
Sussex Mutual	7.75	8.35	10.00	9.30 3 yrs., 9.00 2 yrs., 8.75 1 yr.
Town and Country	7.75	8.00	10.00	9.50 4 yrs., 9.00 3 yrs., 8.5[illegible] 2 yrs.
Walthamstow	7.75	8.10	9.20	9.60 4 yrs., 8.85 3 mths. not. min. £500
Woolwich	7.75	8.00	9.25	9.50 4 yrs., 9.00 3 yrs., 8.50 2 yrs.

*Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

LONDON STOCK EXCHANGE

Retail prices arouse inflation worries and bring drab close to Account—New £1bn. short tap stock issue

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
July 2	July 12	July 13	July 24
July 16	July 26	July 27	Aug. 7
July 30	Aug 9	Aug. 10	Aug. 21

* "New time" dealings may take place from 9.30 am two business days earlier.

Generally worse than expected June retail price indices confirming the increasing rate of domestic inflation set the seal on a dull ultimate session of the trading Account in stock markets yesterday. The surprise deferment until January 1 of the rise of ¾ per cent in the Building Societies' mortgage rate failed to inject any enthusiasm to buy and leading shares fell by several pence.

Government stocks were also markedly easier with an attempt to rally just before the official 3.30 pm close being thwarted by the announcement of a new £1bn short tap issue. The most dispiriting influence on Gilts and, for that matter, equities too, was the continuing lack of investment interest. Light selling thus left prices in both sectors with no alternative but to drift lower and the funds registered fresh falls ranging generally to ⅝, but more in one or two selected cases.

New-time inquiries in the industrial sections were negligible. The bulk of the day's trade was completed in the morning and comprised small sales from public holders nervous about economic and labour uncertainties. Leading shares made a limited recovery after 3.30 pm, when dealings are allowed without penalty for the Account starting on Monday, and the FT 30-share index reflected this with a closing fall of 3.2 at 466.6, after having been 5.1 down at 3 pm.

British Funds were heading lower before announcement of the retail price indices, but were steadying at the cheaper levels prior to the 3.30 pm disclosure of a new short tap stock. News of the £1bn issue of Exchequer 3 per cent 1984 caused trading to be halted for the customary 45 minutes and when it resumed the shorts tended to ease further, but *longs were maintained at* their earlier levels.

Transport 3 per cent 1978/88 sustained the heaviest loss of a full point at 64, while Exchequer 12¼ per cent A 1999 slipped ¾ to 41¾ and Treasury 12 per cent 1995 lost ½ to 95¼. The low-*coupon* Exchequer 3 per cent 1983, due to be quoted clean on Monday, was most affected of the shorts and fell ¾ to 81½.

Nervous selling ahead of possible week-end developments regarding exchange control regulations coupled with professional book-squaring brought a reactionary trend in the investment currency market and the premium closed 3¼ points lower at 26½ per cent. Yesterday's SE *conversion factor* was 0.9202 (0.8964).

Traded options finished the week on a quiet note, a total of 395 contracts making the week's daily average 490—the lowest since early January. Land Securities were the only issue to attract a sizeable business, recording 73 deals.

Chris. Moran dull

A Press revelation that the findings of a City of London Police investigation into alleged breaches of exchange control regulations by a subsidiary of Christopher Moran are soon to be passed on to the Director of Public Prosecutions unsettled Moran shares which fell to a 1979 low of 32p before closing 3 down on balance at 33p. Other Insurance brokers were friendless with C. E. Heath 5 easier at 150p and Hogg Robinson, 92p, and Brentnall Beard, 16p, down 3 and 2 respectively. Composites drifted lower and Royals ended 2 off at 330p; sentiment was not affected by a late disclosure that the company is to follow General Accident's lead and increase its *car premium rates for the second* time this year from October 1 by an average 11 per cent.

Publicity given to several brokers' circulars ahead of the interim dividend season, which starts next Friday, helped the major clearing banks to move *away from the low levels which* have ruled earlier this week on concern about a possible sizeable fund-raising call being in the offing. Lloyds hardened 3 to 336p as did Midland, to 366p, while Barclays hardened 2 to 470p. Elsewhere, merchant banks came on offer with Hill Samuel Warrants particularly affected at 175p, down 50.

Breweries ended the account on a quiet note, the leaders drifting narrowly easier. Full-year results left Marston, Thompson a penny off at 105p. News of the chairman's imminent departure failed to upset Belhaven, 43p; the annual results have been re-scheduled for August 3. Among Distilleries, small buying lifted Highland new nil-paid 2 to 6p premium, but currency influences took their toll on Irish, 10 down at 168p.

Building issues attracted more business than of late, but the trend was usually to lower levels as small sellers predominated. Housebuilders, a shade easier awaiting the mortgage rate announcement, mostly held at the lower levels, Barratt and Gough Cooper cheapening 3 apiece to 107p and 82p respectively. Royco, however, enjoyed a fair trade and finished a penny firmer at 50p, after 48½p. Among Contracting and Constructions, Brown and Jackson slipped 8 to 260p and J. Jarvis eased 5 to 128p, but Derek Crouch, still reflecting the £23m opencast mining contract, put on 6 to 152p. Dealings resumed in Burnett and Hallamshire A at 376p with the close 11 higher at 387p compared with the suspension price of 400p following the agreed bid for Mincorp, a penny firmer at 94p.

Fisons found support and improved 4 to 282p, while ICI hardened a penny to 324p. Other Chemicals usually receded on lack of support and scattered selling with Yorkshire down 4 at a 1979 low of 56p.

Lee Cooper lower

Interest in Stores again centred around selective secondary issues with Lee Cooper reacting 13 to 187p in a thin market. Early profit-taking in MFI Furniture ahead of next Wednesday's annual results saw the shares drift down to 166p before a late bout of buying interest induced a rally which left a close of 174p, only 3 down on balance.

Down to 393p at one stage, Thorn Electrical rallied to close at 400p, up 2 on balance following preliminary results slightly better than market estimates. Elsewhere, in the Electrical *leaders*, EMI were depressed further by a broker's sell recommendation and closed 3 down at 101p, after 99½p. Occasional offerings and lack of support left GEC 3 cheaper at 348p. Still reflecting disappointment with the recent interim figures, Eurotherm met renewed selling and gave up 12 to 315p for a fall of 38 on the week. Racal came on offer at 440p, down 13, along with H. Wigfall, 7 lower at 253p, while Rotaflex reacted 5 to 42p.

Scattered selling was evident in the Engineering sector. Among the leaders, John Brown drifted back to 464p before rallying in the late dealings to finish only 2 off on balance at 471p. Guest Keen, however, gave up 6 to 277p and Hawker 4 to 188p, while Tubes were also 4 down, *at 340p*.

Dull of late on overseas earnings worries, Rowntree Mackintosh picked up 2 to 166p. Other leading Foods encountered small selling which left Cadbury Schweppes 2 cheaper at 56p and J. Sainsbury 4 off at 326p.

Hays Wharf fall

The early announcement of the proposed £4.76m rights issue unsettled Hays Wharf which fell away steadily to close the day 18 lower and 27 down on the *week at 140p. Elsewhere among* miscellaneous industrials, E. Fogarty encountered selling and lost 17 to 288p, while Thermal Syndicate declined 8 to 124p after comment on the interim results. Reflecting the second-half downturn, BB and EA lost 6 to 80p and United Gas eased a penny to 76p on further consideration of the results. Suspended last month at 215p on news of a bid approach, dealings in Caplan Profile were resumed at 185p following details of the agreed bid from Pentos and ended at the same low after a quiet trade; while Pentos eased 3 to 82p, after 80p.

By way of contrast, W. Goodkind, which announced a £0.2m rights issue on Wednesday, improved 2 to 67p on Press comment and Hensher A found support at 48p, up 5. IC Gas continued firmly at 542p, up 7, and Valor rose 3 more to 88p for a rise of 12 on the week, following the chairman's optimistic remarks about current year trading.

Motor sectors again drifted lower on lack of investment incentive. Arlington fell 3 to a 1979 low of 102p while similar losses were seen in Hanger, 7½p, *Godfrey Davis*, 114p, and Heron, 51½p. The annual results of the last mentioned are expected on Tuesday. ERF continued dull, giving up 3 for a week's fall of 10 to 98p, while Rolls-Royce shed 2 to 77p.

Falls among leading Properties were usually restricted to a couple of pence. Elsewhere, Town and City eased ½ to 18p, after 17½p, following the reduced annual loss.

Oils on offer

Oils remained subdued by recent suggestions that the Government's sale of part of its holding in British Petroleum is near at hand. British Petroleum weakened afresh to 1,230p before settling at 1,245p for a *fall of 5*, while Shell also closed above the day's worst with a loss of 4 at 364p, after 360p. Among secondary issues, Ultramar weakened 8 to 300p.

Stimulated afresh by the upward trend in freight rates, Shipping shares pased another relatively active and firm day's trading.

Following recent moderate activity, Textiles became subdued again and closed rarely altered. Dawson International shed 3 to 102p, while Sirdar reacted further on fading bid hopes by easing a penny for a fall on the week of 13 at 90p.

Further considerations given to Wednesday's trading statements left Imperial 3 lower at 92p and Rothmans 2 cheaper at 62p.

Active Australians

Australians were the most actively traded stocks in generally subdued mining markets. But prices moved lower as the investment dollar premium declined.

Exploration issues, which have enjoyed firmness in recent days, tended to ease, with Otter Exploration 1 off at 41p, Australian Consolidated Minerals 2 softer at 11p and Magnet Metals 3½ lower at 28p.

MIM reacted to lower copper prices with a fall of 8 to 174p and, among Uraniums, Pancontinental surrendered the gains made earlier in the week *to close 50 down at 737p.*

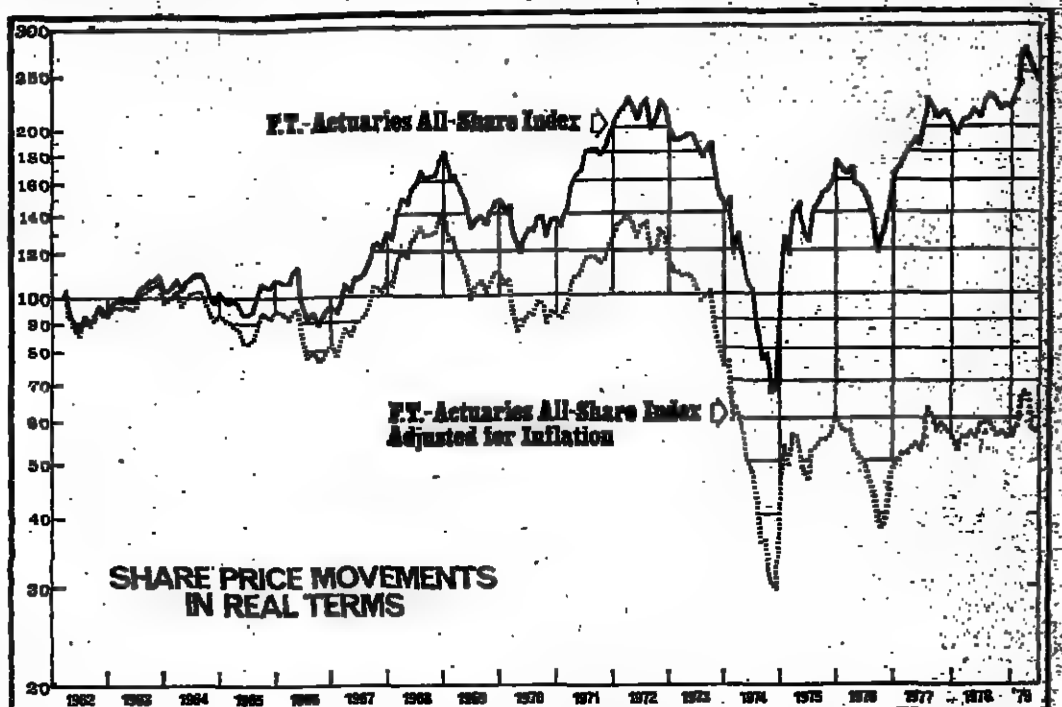
South African Golds also moved lower as the market drifted against the background of a lower bullion price. But business remained at a low ebb although some light end of account selling was seen.

U.S. investors held back from the market in front of President Carter's expected statement of energy policy.

The Gold Mines Index, reflecting the lower premium, was down 6.6 at 158.8, and the ex-premium index was off 2.2 at 146.1. Falls ranged to ¾ as in West Driefontein, at £22¾, and Hartebeest, at £14½.

The easiness of Golds spread to Platinums where Impala were 6 lower at 152p and Rustenburg 3 softer at 115p.

South African Financials were similarly affected. Prices were marked down on lack of interest, although some selling emerged of De Beers, 10 lower at 348p. Anglo American slipped 6 to 328p, illustrating the general trend.



LONDON TRADED OPTIONS

Option	Ex'rc'se price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	1100	140	—	160	8	205	—	1241p
BP	1200	40	5	98	—	135	—	"
BP	1300	3	19	44	—	95	—	"
Com. Union	140	3	2	15	—	21	—	140p
Cons. Gold	180	36	3	47	—	—	—	215p
Cons. Gold	200	16	1	27	10	42	—	"
Cons. Gold	220	3	—	16	2	29	—	"
Cons. Gold	240	1	5	11	10	22	—	"
Courtaulds	90	1	—	5	—	7	6	85p
Courtaulds	100	¼	—	1½	—	3½	10	"
GEC	330	22	—	41	1	57	—	348p
GEC	360	3	—	26	1	41	—	"
GEC	390	1	—	13	—	29	5	"
GEC	460	¼	20	4	—	11	—	"
Grand Met.	128	13	—	19	1	27	—	139p
Grand Met.	138	4	20	12½	10	21	—	"
ICI	330	6	20	17	—	25	2	328p
ICI	360	½	5	6	—	13	—	"
ICI	390	½	—	2½	—	7	8	"
Land Secs.	280	15	3	32	—	39	8	295p
Land Secs.	300	1½	[illegible]	19	1	31	—	"
Land Secs.	330	¼	[illegible]	8	—	21	10	"
Marks & Sp.	100	12	2	18	—	—	—	111p
Marks & Sp.	110	3½	3	11	—	15	10	"
Shell	325	41	—	52	1	—	—	363p
Shell	375	4	3	15	19	28	—	"
Shell	400	½	4	9	13	19	2	"
Totals			165		77		59	
		August		November		February		
Boots	200	6½	3	16	—	20	—	195p
Boots	240	¼	—	2½	5	—	—	"
EMI	100	6	10	13	—	18	—	101p
EMI	120	2	—	6	—	9	5	"
Imperial Gp.	100	2	12	4½	43	8	—	93p
Imperial Gp.	110	¾	15	2	—	—	—	"
RTZ	260	19	2	32	—	40	—	266p
RTZ	280	11	—	22	—	30	1	"
Totals			42		48		6	

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	2	82	5	92	273	66
Corpns. Dom. & Foreign Bds.	1	27	37	23	60	242
Industrials	125	493	795	884	1,625	4,560
Financial and Prop.	28	247	229	295	721	1,507
Oils	5	23	11	37	72	81
Plantations	3	10	18	22	29	104
Mines	8	86	47	166	272	270
Others	13	88	50	317	173	267
Totals	185	1,088	1,190	1,836	3,225	7,097

ACTIVE STOCKS

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
BP	£1	67	1245	−10	1295	882
ICI	£1	61	324	− 8	415	323
Barclays Bank	£1	50	470	− 2	514	360
EMI	50p	41	101	− 5	144	94
Burmah Oil	£1	39	148	+ 3	150	82
Beecham	25p	38	530	+ 3	755	520
GEC	25p	38	348	− 5	456	311
MFI Furniture	10p	38	174	+12	178	54
Shell Transport	25p	37	364	+ 2	402	278
BAT Inds.	25p	35	265	+ 3	362	255
GKN	£1	34	277	+ 6	308	226
Imperial Group	25p	34	92	− 2	108	82
LASMO	25p	34	240	− 2	264	124
Ladbroke	10p	33	189	+ 3	243	167
Allied Breweries	25p	32	88	− 2	102	80

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
ICI	£1	11	324	+ 1	415	323
Barclays Bank	£1	9	470	+ 2	514	360
BP	£1	8	1245	− 5	1295	882
Burmah Oil	£1	8	148	− 2	150	82
Shell Transport	25p	8	364	− 4	402	278
BAT Inds.	25p	7	265	− 3	362	255
Beecham	25p	7	530	+ 5	755	520
Grand Met.	50p	7	138	− 3	178½	110½
GKN	£1	7	277	− 6	308	226
Ladbroke	10p	7	189	+ 1	243	167
P. & O. Defd.	£1	7	102½	+ 4½	104	71
Rank Org.	25p	7	211	− 1	300	211
Ultramar	25p	7	300	− 8	320	198
Unilever	25p	7	524	− 2	660	502
Courtaulds	25p	6	85	− 1	122	84

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

BASE LENDING RATES

A.B.N. Bank	14 %	■ Hambros Bank	14 %
Allied Irish Banks Ltd.	14 %	■ Hill Samuel	§14 %
Amro Bank	14 %	C. Hoare & Co.	†14 %
American Express Bk.	14 %	Julian S. Hodge	15 %
A P Bank Ltd.	14 %	Hongkong & Shanghai	14 %
Henry Ansbacher	14 %	Industrial Bk. of Scot.	14½%
Associates Cap. Corp.	14 %	Keyser Ullmann	14 %
Banco de Bilbao	14 %	Knowsley & Co. Ltd.	15½%
Bank of Credit & Cmce.	14 %	Lloyds Bank	14 %
Bank of Cyprus	14 %	London Mercantile	14 %
Bank of N.S.W.	14 %	Edward Manson & Co.	15 %
Banque Belge Ltd.	14 %	Midland Bank	14 %
Banque du Rhone et de la Tamise S.A.	14½%	■ Samuel Montagu	14 %
Barclays Bank	14 %	■ Morgan Grenfell	14 %
Bremar Holdings Ltd.	15 %	National Westminster	14 %
Brit. Bank of Mid. East	14 %	Norwich General Trust	14 %
■ Brown Shipley	14 %	P. S. Refson & Co.	14 %
Canada Perm't Trust	14 %	Rossminster	14 %
Cayzer Ltd.	14 %	Ryl. Bk. Canada (Ldn.)	14 %
Cedar Holdings	14 %	Schlesinger Limited	14 %
■ Charterhouse Japhet	14 %	E. S. Schwab	15 %
Choulartons	14 %	Security Trust Co. Ltd.	15 %
C. E. Coates	14 %	Shenley Trust	16 %
Consolidated Credits	14 %	Standard Chartered	14 %
Co-operative Bank	*14 %	Trade Dev. Bank	14 %
Corinthian Secs.	14 %	Trustee Savings Bank	14 %
Credit Lyonnais	14 %	Twentieth Century Bk.	15 %
The Cyprus Popular Bk.	14 %	United Bank of Kuwait	14 %
Duncan Lawrie	14 %	Whiteaway Laidlaw	14½%
Eagil Trust	14 %	Williams & Glyn's	14 %
English Transcont.	14 %	Yorkshire Bank	14 %
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	15½%		
■ Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	‡14 %		
■ Guinness Mahon	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ Demand deposits 11½%.

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 10	July 23	Oct. 4	Oct. 16
July 24	Aug. 6	Oct. 18	Oct. 30
Aug. 7	Aug. 20	Nov. 1	Nov. 13

For rate indications see end of Share Information Service

Call options were done in Burmah, Cons. Gold Fields, MFI, Shell, Lonrho, ICI, Britannia Arrow, Spillers, Westland Aircraft, Grand Met., Attock Petroleum Ladbroke, Bestobell, Burmah, Rustenburg Plat., and Prince of Wales Hotels. No puts were reported, but doubles were completed in Burmah, De Beers Dfd., FNFC 9½ per cent 1992-97, Lonrho, Decca A and EMI.

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (14)

BRITISH FUNDS (1)
Treasury 3pc 1979
STORES (2)
Cantors A — Kitchen Queen
ENGINEERING (3)
Green's Economiser — Jones & Shipman
INDUSTRIALS (4)
Cole (R. H.) — Hensher A
Goodkind (W.) — Imp. Cont. Gas
MOTORS (1)
Flight Refuelling
SHIPPING (1)
Lond. O'seas Frtrs.
TRUSTS (1)
London & Liverpool
OILS (2)
Weeks Pet. — Weeks Pet. Pfd. Ord.

NEW LOWS (114)

CANADIANS (2)
BANKS (2)
BEERS (1)
BUILDINGS (10)
CHEMICALS (2)
DRAPERY & STORES (11)
ELECTRICALS (3)
ENGINEERING (9)
FOODS (1)
HOTELS (1)
INDUSTRIALS (21)
INSURANCE (6)
MOTORS (9)
NEWSPAPERS (1)
PAPER & PRINTING (1)
TEXTILES (3)
TRUSTS (24)
OILS (1)
OVERSEAS TRADERS (3)
TEAS (1)
MINES (6)

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P.E. Ratio
60	F.P.	11/7	91	76	B & Q (Retail) 5p	85	−2	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Delight 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Fairline Boats	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Fulcrum Inv. Income	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Do. Capital	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Malay'n Pl'ts Berhad	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Mettoy Dfd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Pilcom 10p	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	[illegible]	[illegible]	[illegible]	StandardTel.&Cables	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount paid up	Latest Renunc. date	1979 High	1979 Low	Stock	Closing Price £	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	English & Overseas Inv. Conv.	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	Kwik-Fit (Tyres) 8% Cnv. Ln. 1979/85	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	Marsh'll's Univ'ty Cnv.Cum.Red.Prf.	[illegible]	[illegible]
100	[illegible]	[illegible]	[illegible]	[illegible]	Portsmouth Water 8% Red. Prf. 1984	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Sund'l'nd & S. Shields Water 8% 1984	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Wrexham Water 8% 1984	[illegible]	[illegible]
98	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p:	Amount Paid up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+ or −
56	Nil	[illegible]	[illegible]	[illegible]	Causton Sir J.	[illegible]	[illegible]
65	Nil	[illegible]	[illegible]	[illegible]	Century Oils	[illegible]	[illegible]
52½	[illegible]	[illegible]	[illegible]	[illegible]	Combined English Stores	[illegible]	[illegible]
195	Nil	[illegible]	[illegible]	[illegible]	Elliott (B.)	[illegible]	[illegible]
100	F.P.	[illegible]	[illegible]	[illegible]	Gevor Tin	[illegible]	[illegible]
126	Nil	[illegible]	[illegible]	[illegible]	Grand Metropolitan	[illegible]	[illegible]
47	Nil	[illegible]	[illegible]	[illegible]	Hargreaves	[illegible]	[illegible]
86	Nil	[illegible]	[illegible]	[illegible]	Highland Dist.	[illegible]	[illegible]
165	Nil	[illegible]	[illegible]	[illegible]	Lopex	[illegible]	[illegible]
110	F.P.	[illegible]	[illegible]	[illegible]	Intl. Timber	[illegible]	[illegible]
154	F.P.	[illegible]	[illegible]	[illegible]	MEPC	[illegible]	[illegible]
105	F.P.	[illegible]	[illegible]	[illegible]	McCorquodale	[illegible]	[illegible]
85	F.P.	[illegible]	[illegible]	[illegible]	P.M.A. Holdings	[illegible]	[illegible]
210	Nil	[illegible]	[illegible]	[illegible]	Peterson Tennant	[illegible]	[illegible]
20	Nil	[illegible]	[illegible]	[illegible]	Provincial Laundries	[illegible]	[illegible]
60	F.P.	[illegible]	[illegible]	[illegible]	Scotcros	[illegible]	[illegible]
268	Nil	[illegible]	[illegible]	[illegible]	Simon Engineering	[illegible]	[illegible]
60	Nil	[illegible]	[illegible]	[illegible]	Sound Diffusion	[illegible]	[illegible]
108	Nil	[illegible]	[illegible]	[illegible]	Stylo Shoes	[illegible]	[illegible]
57	Nil	[illegible]	[illegible]	[illegible]	UBM	[illegible]	[illegible]
57	Nil	[illegible]	[illegible]	[illegible]	W.G.I.	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. ☐ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

FINANCIAL TIMES STOCK INDICES

	July 13	July 12	July 11	July 10	July 9	July 6	A year ago
Government Secs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Interest	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrial	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gold Mines	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gold Mines(Ex-$ pm)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ord. Div. Yield	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Earnings, Yld. % (full)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P/E Ratio (net) (*)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total bargains	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity turnover £m	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Equity bargains total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Latest Index 01-246 8026.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	[illegible]	[illegible]	[illegible]	[illegible]
Fixed Int.	[illegible]	[illegible]	[illegible]	[illegible]
Ind.Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (6/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$pm)	169.5 (8/6)	95.2 (2/11)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	July 12	July 11
Daily Gilt Edged	[illegible]	[illegible]
Industrials	[illegible]	[illegible]
Speculative	[illegible]	[illegible]
Totals	[illegible]	[illegible]
5-d'y Av'r'ge Gilt Edged	150.4	153.4
Industrials	125.3	124.5
Speculative	27.8	29.5
Totals	83.4	83.3

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri., July 13, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs. July 12 Index No.	Wed. July 11 Index No.	Tues. July 10 Index No.	Mon. July 9 Index No.	Year ago (approx.) Index No.	1979 High	1979 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (74)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS (DURABLE) (52)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (16)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	Household Goods (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (24)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GOODS (NON-DURABLE) (171)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Breweries (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (41)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (23)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (99)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43	Pharmaceutical Products (7)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Office Equipment (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Miscellaneous (58)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (494)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (115)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (8)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (43)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (9)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (110)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Fri. July 13	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	[illegible]	[illegible]	—	[illegible]
2	5-15 years	[illegible]	[illegible]	—	[illegible]
3	Over 15 years	[illegible]	[illegible]	—	[illegible]
4	Irredeemables	[illegible]	[illegible]	—	[illegible]
5	All stocks	[illegible]	[illegible]	—	[illegible]

FIXED INTEREST YIELDS

	Br. Govt. Av. Gross Red.	Fri. July 13	Thurs. July 12	Year ago (approx.)
1	Low Coupons 5 years	[illegible]	[illegible]	[illegible]
2	15 years	[illegible]	[illegible]	[illegible]
3	25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons 5 years	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]
7	High Coupons 5 years	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables	[illegible]	[illegible]	[illegible]

		Fri., July 13 Index No.	Yield %	Thur. July 12	Wed. July 11	Tues. July 10	Mon. July 9	Fri. July 6	Thur. July 5	Wed. July 4	Year ago (approx.)
15	20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16	Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17	Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Miscellaneous Financial	[illegible]	[illegible]
Other Groups	31/12/74	63.75	Food Manufacturing	[illegible]	[illegible]
Overseas Traders	31/12/74	100.00	Food Retailing	[illegible]	[illegible]
Engineering Contractors	31/12/71	153.84	Insurance Brokers	[illegible]	[illegible]
Mechanical Engineering	31/12/71	153.84	Mining Finance	[illegible]	[illegible]
Wines and Spirits	10/1/70	114.13	All Other	[illegible]	[illegible]
Toys and Games	16/1/70	135.72	British Government	[illegible]	[illegible]
Office Equipment	16/1/70	128.20	Redemption yield	[illegible]	[illegible]
Industrial Group	31/12/70	128.20			

[illegible]

شكرا جميلا

AUTHORISED UNIT TRUSTS

[illegible]

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4R 9BH 01-623 1050

Minster July 2	39.2	41.2xd	.....	6.13
Exempt June 29	104.4	108.4	.....	6.12

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-222 8177

MLA Units	54.8	57.6	.....	3.68

Murray Johnstone U.T. Mgmt. (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	68.6	73.0	.....	4.24

Dealing Day Friday.

Mutual Unit Trust Managers (a)(g)
15 Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	51.9	55.3	-0.5	7.59
Mutual Inc. Tst.	72.9	77.2	-0.4	7.74
Mutual Blue Chip	46.0	49.5	-0.2	6.86
Mutual High Yld.	57.4	61.7	-0.3	9.20

National and Commercial
31, St. Andrew Square, Edinburgh. 031-556 9555.

Income July 4	166.2	172.4	.....	5.78
(Accum. Units)	235.8	244.4	.....	5.78
Capt. July 4	138.4	143.4	.....	3.40
(Accum. Units)	170.2	176.4	.....	3.40

National Provident Inv. Mngrs. Ltd.
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth. Un. Tst.	53.3	56.8	.....	4.80
(Accum. Units)*	67.4	71.8	.....	4.80
NPI O'seas Trust	123.3	130.5	.....	2.50
(Accum. Units)**	133.5	141.3	.....	2.50

*Prices on June 19. Next dealing July 26.

National Westminster (a)
161, Cheapside, EC2V 6EU. 01-606 6060

Capital (Accum.)	70.2	75.4	.....	4.02
Extra Inc.	64.7	69.5	.....	9.06
Financial	34.1	36.6xd	.....	5.37
Growth Inv.	86.1	92.5xd	.....	4.89
Income	35.5	38.1	.....	7.44
Portfolio Inv. Fd.	72.4	75.8xd	.....	6.28
Universal Fd.	43.7	46.9	.....	2.84

NEL Trust Managers Ltd. (a)(g)
Milton Court, Dorking, Surrey. 5911

Nelstar	62.2	65.4	-0.5	5.09
Nelstar High Inc.	48.7	51.2	-0.2	8.11

Norwich Union Insurance Group (b)
P.O. Box 4, Norwich, NR1 3NG. 0603 22200

Group Tst. Fd.	381.0	401.0	-3.3	5.28

Pearl Trust Managers Ltd. (a)(g)(z)
252, High Holborn, WC1V 7EB. 01-405 8441

Pearl Growth Fd.	25.2	27.1	-0.1	5.13
Accum Units	30.8	33.2	-0.1	5.13
Pearl Inc.	33.9	36.5	-0.2	7.39
Pearl Unit Tst.	36.4	39.2	-0.2	6.10
(Accum. Units)	48.7	52.4	-0.3	6.10

Pelican Units Admin. Ltd. (g)(x)
57-63, Princes St., Manchester. 061-236 5685

Pelican Units	98.8	106.2	-1.1	4.65

Prudl. Portfolio Mngrs. Ltd. (a)(b)(c)
Holborn Bars, EC1N 2NH. 01-405 9222

Prudential	136.5	145.0	-1.0	5.10

Quilter Management Co. Ltd.
The Stock Exchange, EC2N 1HP. 01-600 4177

Quadrant Gen. Fd.	121.0	126.7	.....	3.78
Quadrant Income	136.0	140.3xd	.....	8.56
Quadrant Intl. Fund		100.0	.....	1.70

Reliance Unit Mgrs. Ltd.
Reliance Hse., Tunbridge Wells, Kt. 0892 22271

Opportunity Fd.	69.1	73.9	.....	6.17
Sekforde T. (Acc.)	43.6	46.4	-0.4	5.59
Sekforde T. Inc.	41.0	43.8	-0.4	5.59

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester 061-236 8521

Ridgefield Int. UT	72.0	77.0xd	.....	3.07
Ridgefield Income	88.0	94.0xd	.....	9.69

Rothschild Asset Management (g)
72-80, Gatehouse Rd., Aylesbury. 0296 5941

N. C. Equity Fund	173.0	184.0	.....	4.08
N.C. Engy. Res. Tst.	121.1	128.9	.....	2.32
N.C. Income Fund	151.6	161.2	.....	7.94
N.C. Intl. Fd. (Inc.)	75.8	80.6	.....	1.76
N.C. Intl. Fd. (Acc.)	76.8	81.7	.....	1.76
N.C. Smllr Coys Fd.	183.8	195.5	.....	4.02

Rowan Unit Trust Mngt. Ltd. (a)
City Gate Hse., Finsbury Sq., EC2. 01-606 1066

American July 12	62.5	65.5	.....	1.47
Securities July 10	194.0	204.0	.....	3.75
High Yield July 13	55.6	58.6	.....	8.59
(Accum. Units)	83.6	88.0	-0.2	8.54
Merlin July 11	86.3	90.7	.....	3.98
(Accum. Units)	108.6	114.1	.....	3.98

Royal Tst. Can. Fd. Mgrs. Ltd.
48-50, Cannon St., London EC4M 6LD 01-236 6044

Capital Fd.	70.3	74.1	-2.4	3.50
Income Fd.	68.0	71.7xd	-2.9	7.03

Prices at July 13. Next dealing July 31.

Save & Prosper Group
4, Great St. Helens, London EC3P 3EP
68-73 Queen St., Edinburgh EH2 4NX
Dealings to: 01-554 8899 or 031-226 7351.

International Funds				
Capital	34.5	37.0xd	-0.4	3.13
I.T.U.	25.0	26.8	-0.2	4.79
Univ. Growth	64.3	69.1	-0.4	3.01
Increasing Income Fund				
High-Yield	52.4	56.3	-0.4	7.69
High Income Funds				
High Return	66.9	71.9xd	-3.1	9.17
Income	43.1	46.3	-0.2	9.62
U.K. Funds				
UK Equity	47.4	50.9	-0.6	4.93
Overseas Funds (z)				
Europe	75.8	81.5	-0.3	3.47
Japan	70.3	75.5	-0.7	3.70
S.E. Asia	36.4	39.1	+0.5	3.89
U.S.	67.1	72.1	-0.3	2.38

[illegible]

INSURANCE AND PROPERTY BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$8.08		.....	—

Net asset value July 9.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741.

AHR Gilt Edg. Fd.	£12.55	12.60	.....	12.11

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

Cap. Tst. (Jersey)	123.0	127.0	.....	7.94

Next dealing July 16

Gov't Secs. Tst.	94.5	98.0	.....	12.76

Next dealing July 16.

East &Intl.Tst.(CI)	101	108	.....	3.47

Next dealing date July 26.

Australian Selection Fund NV
Market Opportunities, c/o Irish Young & Outhwaite, 127 Kent St., Sydney

US$1 Shares		$US1.48	.....	—

Net asset value November 24.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	109.52	110.08	+0.27	8.40

Prices at July 11. Next sub. day July 18.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

Renta Fund	US$58.94	60.75	+0.01	8.09

Barbican Managers (Jersey) Ltd.
P.O. Box 63, St. Helier, Jersey 0534 74806

Barb. Int. Fund	86.1	91.4xd	.....	5.00

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Overseas Income	46.0	48.4xd	.....	12.70
Unidollar Trust	$US11.67	12.27	.....	1.66
Unibond Trust	$US98.64	99.53	.....	9.00

1, Thomas St., Douglas, Isle of Man. 0624 4856

Unicorn Aust. Ext.	41.5	44.7xd	+1.4	2.00
Do. Aust. Min.	31.5	33.6	.....	1.80
Do. Grtr. Pacific	66.3	71.3	.....	—
Do. Intl. Income	36.1	38.9	.....	9.00
Do. Isle of Man Tst.	45.4	48.9xd	-0.6	9.30
Do. Manx Mutual	26.5	28.5	.....	1.80

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC *July 2	US$38.56	40.98	.....	—
CANRHO **July 2	£0.875	0.928	.....	—
COUNT **July 2	£2.658	2.819	.....	1.86

Originally issued at *$10 and **£1. Next val. Aug. 6.

Bishopsgate Progressive—Ldn. Agents
9, Bishopsgate, EC2N 3AD 01-588 6280

BNAUT Inc. June 27	$US2.82	2.98	.....	—
BNASF June 28	100.0	107.06	.....	—

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bashi June 30		Y16,560	.....	—
Nippon Fd. July 11	US$16.21	16.94xd	.....	0.98

Britannia Tst. Mngmt. (C.I.) Ltd.
30 Bath St., St. Helier, Jersey. 0534 73114

Sterling Denominated Fds.

Growth Invest	37.7	40.8xd	-0.3	4.50

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Keyser Ullmann Ltd.
25, Milk Street, EC2V 8JE. 01-606 7070

Fonselex	Fr1,378	1,467	.....	2.40
Bondselex	117.00	122.75	.....	2.40
Central Assets	£147.69	147.75	+0.02	—

King & Shaxson Mngrs.
1, Charing Cross, St. Helier, Jersey. (0534) 73741
Valley Hse., St. Peter Port, Grnsy. (0481) 24706
1 Thomas Street, Douglas, I.O.M. (0624) 4856

Gilt Fund (Jersey)	9.44	9.49xd	.....	11.75
Gilt Trust (I.o.M.)	108.4	111.2	.....	11.75
Gilt Fnd. Guernsey	9.84	9.88xd	.....	11.75

Intl. Govt. Secs. Tst.

First Sterling	£21.10	21.21	.....	—
First Intl.	US$234.03	234.67	.....	—

Kleinwort Benson Limited
20, Fenchurch St., EC3. 01-623 8000

Eurinvest		LF1123	-5	4.27
Guernsey Inc.	67.0	71.0	.....	4.62
Do. Accum.	85.2	90.2	.....	4.62
KB Far East Fd.		US$13.27	.....	2.26
KB Gilt Fund	£10.85	10.93	.....	11.58
KB Intl. Fund		$US12.67	.....	2.27
KB Japan Fund		US$31.36	.....	0.95
K.B. U.S. Gwth. Fd.		US$13.77	.....	1.45
Signet Bermuda		$US5.28xd	.....	1.87
K. B. Int. Bd. Fd.		$101.23xd	.....	8.20

Lloyds Bk. (C.I.) U/T Mgrs.
P.O. Box 195, St. Helier, Jersey. 0534 27561

Lloyds Tst. O'seas	52.1	54.8	.....	2.75

Next dealing July 16.

Lloyds Trust Gilt	£10.14	10.15xd	.....	11.75

Next dealing July 18.

Lloyds Bank International, Geneva
P.O. Box 438, 1211 Geneve 11 (Switzerland)

Lloyds Int. Growth	SF339.50	363.50	.....	1.20
Lloyds Int. Income	SF293.0	304.5	.....	5.30

M & G Group
Three Quays, Tower Hill EC3R 6BQ. 01-626 4588

Atlantic July 10	US$3.67	4.02	.....	—
Aus. Ex. July 11	US$2.89	3.27	.....	—
Gold Ex. Acc.	US$18.68	20.75	.....	—
Island	139.8	148.8	+0.1	4.08
(Accum Units)	203.6	216.6	+0.1	4.08

Midland Bank Tst. Corp. (Jersey) Ltd.
28-34, Hill St., St. Helier, Jersey. 0534 36281

Midland Drayton Gilt.	101.6	102.1	.....	11.65

Samuel Montagu Ldn. Agents
114, Old Broad St., EC2. 01-588 6464

Apollo Fd. June 29	SF43.75	47.45	.....	2.93
Japfest June 29	HK$12.92	14.00	.....	1.37
117 Group June 27	$US11.18	12.20	.....	2.29
117 Jersy June 29	£5.07	5.47	.....	0.73
117 Jsy. O's June 20	£7.47	7.87	.....	—

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521

*Hope St. Fd.		$US32.87	.....	—
*Murray Fund		$US12.64	.....	—

*NAV June 15.

Nat. Westminster Jersey Fd. Mgrs. Ltd.
45 La Motte St., St. Helier, Jersey 0534 36241

High Income Fund	50.5	52.0	.....	—
Equity Fund	48.0	50.0	.....	—

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FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1979 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98 3/16	94⅝	Treasury 3pc '79‡‡	98 3/16	+1/32	3.05	13.51
98½	95⅝	Electric 4¼pc '74-79	98 1/32	+1/32	4.33	15.60
100¼	54⅝	Treasury 10½pc '79‡‡	99 1/4	......	10.60	13.36
97½	94½	Electric 3½pc '76-79	97½	......	3.60	12.34
99⅝	95⅞	Treasury 9pc 1980‡‡	97 5/16	−⅛	9.22	19.97
99⅝	95 5/16	Treasury 9½pc '80‡‡	97½	−⅛	9.74	12.63
97	92¼	Treasury 3½pc '77-80	95	−¼	3.68	9.29
97⅞	92⅞	Funding 5¼pc '78-80‡‡	96	−⅛	5.47	9.87
103⅝	99 3/16	Exchequer 13pc 1980‡‡	100⅛	−3/16	12.98	12.79
102¼	96 11/16	Treasury 11½pc 1981‡‡	98⅞	−5/16	11.63	12.30
93¾	88¾	Treasury 3½pc 1979-81	93¼xd	−½	3.75	8.12
99¼	92 3/16	Treasury 9¾pc 1981‡‡	96¼	−¼	10.13	12.17
96¼	89½	Exch. 8¼pc 1981	93⅞	−⅛	8.79	11.89
98¼	91¼	Exch. 9½pc 1981	95½xd	−⅛	9.95	12.04
91¼	84¼	Exch. 3pc 1981	88¾	−⅝	3.38	9.00
98 3/16	96	Treas. Variable '81‡‡	97 3/16	−1/16	14.07	14.90
104 13/16	97 7/16	Exch. 12¾pc 1981‡‡	100⅝	−⅛	12.67	12.37
96⅛	88	Treas. 8½pc '80-82‡‡	93	−⅛	9.14	11.79
89½	82	Treasury 3pc '82‡‡	87½xd	−⅛	3.43	8.49
108⅝	100⅝	Treasury 14pc '82‡‡	103⅛	−7/16	13.58	12.53
97¼	94⅛	Treas. Variable '82‡‡	96 3/16	−⅛	14.27	15.33
95¼	85⅝	Treasury 8¼pc '82	91⅛	−⅜	9.04	11.88
97¼	86½	Exch. 9¼pc 1982	91⅞	−⅜	10.07	12.37
95⅞	84⅝	Exch. 8¾pc 1983	91⅜	−⅜	9.58	11.83
86½	77¼	Exch 3pc '83	81½	−⅛	3.68	9.15
104⅝	93⅛	Treasury 12pc 1983‡‡	98½	−½	12.18	12.48
104	93⅛	Treas. 12pc '83 A‡‡	98⅛	−½	12.23	12.61
95	93½	Treas. Variable '83‡‡	94 3/16	−⅛	14.57	15.73
97¼	84½	Treasury 9¾pc '83	91½	−⅝	10.11	11.98
98 1/16	85½	Exch. 10pc 1983	92 3/16	−½	10.85	12.33
89½	78¼	Funding 5½pc '82-84‡‡	85½	−½	6.43	9.52
		Exch. 3pc 1984●	£77	......	8.87	
		Five to Fifteen Years				
99⅝	97¼	Treasury 12pc 1984	97⅞	−½	12.32	12.70
110	93¾	Exch. 12¼pc 1985	99¾	−⅝	12.51	12.71
95	80	Treasury 8½pc '84-86‡‡	87⅞	−½	9.69	11.06
112⅛	97¼	Exch. 13¼pc 1987	102¼xd	−½	12.93	12.72
84⅛	72½	Funding 6½pc '85-87‡‡	80⅛	−½	8.23	10.49
88⅝	73½	Treasury 7¾pc '85-88‡‡	81½xd	−½	9.50	11.15
70⅝	58⅝	Transport 3pc '78-88	64	−1	4.70	8.94
73	61⅛	Treasury 5pc '86-89	69⅝	−⅝	7.34	10.05
113⅞	93¾	Treasury 13pc 1990‡‡	102⅛	−⅝	12.73	12.62
89¾	72¾	Treasury 8¼pc '87-90‡‡	80⅞	−⅝	10.29	11.47
106⅛	86¼	Treasury 11¾pc 1991	94⅝	−⅝	12.44	12.67
72½	60⅜	Funding 5¾pc '87-91‡‡	69	−½	8.53	10.68
98⅝	89¼	Exch. 11pc 1991	91½	−⅝	12.25	12.65
111⅝	91	Treasury 12¾pc '92‡‡	100xd	−⅝	12.72	12.71
94⅛	75½	Treasury 10pc 1992	89	−⅝	11.76	12.37
107⅝	86¾	Exch. 12¼pc '92	102	−⅝	12.59	12.68
110½	89¼	Treasury 12½pc '93‡‡	98⅞	−⅝	12.65	12.68
69⅝	54⅝	Funding 6pc 1993‡‡	65½	−½	9.45	11.19
119¼	98	Treasury 13¾pc 1993‡‡	108¼	−⅝	12.95	12.77
121¾	98¼	Treasury 14½pc '94‡‡	116⅛	−⅝	13.10	12.84
		Over Fifteen Years				
109	87½	Exch. 12½pc 1994	103⅜	−⅝	12.78	12.73
88¼	72	Treasury 9pc '94‡‡	81¼	−½	11.28	11.88
106⅞	85¼	Treasury 12pc '95	95½xd	−⅝	12.56	12.66
51⅛	42	Gas 3pc '90/95	49⅝	−¼	6.15	9.22
95⅛	75⅝	Exch. 10¼pc 1995	85½xd	−⅝	12.02	12.38
105⅛	92¼	Treasury 12¾pc '95‡‡	102⅝	−⅝	12.69	12.66
85⅝	68⅝	Treasury 9pc '92/96‡‡	81½	−½	11.47	12.00
124¼	107⅛	Treasury 15¼pc '96‡‡	118⅝	−⅝	13.20	12.94
116¼	95⅜	Exchequer 13¼pc '96‡‡	106⅛	−⅝	12.76	12.67
50⅛	41⅜	Redemption 3pc 1986-96	48⅛	−¼	6.35	9.13
115⅛	92¾	Treasury 13¼pc '97‡‡	103⅝xd	−⅝	12.76	12.69
99⅝	75⅝	Exchequer 10½pc 1997	90½	−⅝	12.16	12.42
85⅝	66	Treasury 8¾pc 1997‡‡	79½	−½	11.48	11.98
68	56	Treasury 6¾pc '95-98‡‡	64⅝	−½	10.68	11.58
128⅝	106⅞	Treas. 15½pc '98‡‡	122⅜	−⅝	13.13	12.91
108⅝	86¾	Exch. 12pc 1998	97¾	−⅝	12.52	12.55
89⅝	71¼	Treasury 9½pc 1999‡‡	80⅝	−½	11.79	12.11
106⅛	96⅝	Exch. 12¼pc 1999	100	−⅝	12.64	12.67
45⅝	39 3/16	Ex. 12¼pc '99 A (£40pd)	41¾	−¼	12.62	12.66
97⅞	77⅝	Treasury 10½pc 1999	87¾	−⅝	12.20	12.38
107	84½	Exch. 12pc '99-02	95¾xd	−⅝	12.51	12.54
118	99	Treas. 13¾pc 2000-03	107½xd	−⅝	12.79	12.72
96⅛	90¼	Treasury 11½pc '01-04	93⅝	−⅝	12.51	12.57
42½	32½	Funding 3½pc '99-04	39⅛	−¼	8.95	10.35
111⅛	88⅛	Treasury 12½pc '03-05	101⅜	−⅝	12.57	12.55
75	62	Treasury 8pc '02-06‡‡	71¼	−½	11.59	11.82
54	41⅜	Treasury 5½pc '08-12‡‡	51	−½	11.21	11.99

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FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY
Telex: Editorial 886341/2, 883897. Advertisements: 885033. Telegrams: Finantimo, London.
Telephone: 01-248 8000.
Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1.
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AUSTRALIAN

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
14	9	Acmex	12	−½	—	—	—
171	102	Bougainville 50 Toea	108	−2	Q15c	1.0	7.1
140	84	BH South 50c	89	−2	—	—	—
860	340	Central Pacific	760	−70	—	—	—
318	182	Conzinc Riotinto 50c	182	−4	NQ10c	2.0	2.8
36	16	Cultus Pacific N.L.	18	......	—	—	—
21½	11	Endeavour 20c	14	+½	—	—	—
98	62	G.M. Kalgoorlie $1	84	......	Z03c	—	1.8
42	23	Haoma Gold N.L.	28	......	—	—	—
200	148	Hamptn Areas 5p	190	......	‡13.55	2.0	2.7
71½	25	Metals Ex. 50c	39	−1	—	—	—
275	168	M.I.M. Hldgs. 50c	174	−8	†Q9c	1.7	2.7
15	15	Minefields Expl.	15	......	—	—	—
74	37	Mount Lyell 25c	37	−1	—	—	—
44	15	Newmetal 20c	15	−1	—	—	—
141	91	North B. Hill 50c	97	−2	†Q8c	1.3	4.2
22	11	Nth. Kalgurli	14½	......	—	—	—
40	22	Nth. West Mining	26	......	—	—	—
137	84	Oakbridge $A1	89	+2	Q12c	1.9	7.1
37	22	Oilmin N. L.	32	+2	—	—	—
120	58	Pacific Copper	62	......	—	—	—
£10¼	625	Pancont'l 25c	737	−50	—	—	—
25¾	15½	Paringa M&Ex. 5p	20	......	—	—	—
510	268	Peko-Wallsend 50c	302	−2	Q15c	3.3	2.6
340	145	Southern Pacific	295	−20	—	—	—
188	121	Westn. Mining 50c	130	−3	†Q3c	0.7	1.2
11	9	Westmex	10	......	—	—	—
65	50	Whim Creek 20c	50	......	—	—	—
25	13	York Resources	13	......	—	—	—

TINS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
30	23	Amal. Nigeria	25	......	2.81	1.9	16.1
435	265	Ayer Hitam SM1	295	−10	Q300c	0.5	21.9
72	51	Beralt Tin	52	+1	4.0	3.3	11.0
270	175	Berjuntai SM1	190	......	†Q110c	1.0	14.1
160	125	Geevor	125	......	8.71	3.1	10.0
10½	8	Gold & Base 12½p	9½	......	—	—	—
365	295	Gopeng Cons.	330	......	†18.0	1.4	7.8
370	295	Hongkong	320	......	†12.5	2.8	5.6
98	64	Idris 10p	87	......	8.0	5.3	13.1
14	9½	Jantar 12½p	12	+2	♦—	—	—
95	58	Kamunting SM0.50	73	......	†Q12.5c	2.1	3.7
620	210	Killinghall SM1	350	......	—	—	—
465	365	Malay Dredging SM1	380	......	†175c	0.7	1.7
57	28	ΔPahang	29	−1	—	—	—
123	60	Pengkalen 10p	105	......	4.5	1.2	6.4
275	195	Petaling SM1	205	......	†Q120c	1.3	12.6
85	63	Saint Piran	63	−3	†2.03	6.5	4.6
58	45	South Crofty 10p	45	......	†4.19	2.0	13.3
230	170	South Kinta SM0.50	190	......	†Q115c	0.6	16.4
405	285	Sthn Malayan SM1	340	−5	†Q190c	1.0	12.0
310	210	Sungei Besi SM1	265	−5	Q520c	♦	55.7
75	45	Supreme Corp. SM1	45	−3	Z010c	—	4.8
105	94	Tanjong 15p	95xd	......	7.5	0.7	11.3
115	90	Tongkah H. Tin	90	......	†Q24c	0.7	6.0
280	190	Tronoh SM1	200	......	Q25c	5.2	2.8

COPPER

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
111	56	Messina R0.50	68	−1	—	—	—

MISCELLANEOUS

1979 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
81	54	Barymin	62	−3	—	—	—
13½	10	Burma Mines 17½p	12	......	—	—	—
345	170	Cons. Murch. 10c	275xd	......	Z030c	—	5.6
410	325	Northgate C$1	325	−20	—	—	—
362	226	R.T.Z.	268	−3	11.5	2.7	6.1
31	18	Robert Mines	28	+1	—	—	—
65	34	Sabina Inds. C$1	36	......	—	—	—
880	575	Tara Expln. $1	575	......	—	—	—

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Yld Gr's
$17½	$10½	Buffels R1	$14¼	−½	Q200c	♦	17.0
$15½	890c	East Drie R1	$12½xd	−⅝	†Q125c	1.6	11.1
$10¼	350c	East Rand Prp. R1	975c	......	†Q10c	—	1.2
$27½	$18¼	F.S. Geduld 50c	$25⅜	−⅝	†Q315c	2.4	15.0
$19⅝	$11⅛	Pres. Brand 50c	$18	−⅜	†Q150c	3.2	10.1
$16⅝	$10¼	St. Helena R1	$15⅞	−⅝	†Q190c	1.4	14.5
760c	407c	Stilfontein 50c	660c	−15	†Q66c	♦	12.1
$34½	$18¼	Vaal Reefs 50c	$32¼	−¼	Q280c	2.7	10.5
$50¼	$28¾	West Drie R1	$46¼xd	−¼	Q615c	1.7	16.1
$35¼	$22¼	West Hldgs. 50c	$34⅛	−⅛	†Q415c	1.4	14.7
$16¾	$10⅜	Western Deep R2	$16⅜	−⅛	Q147½c	2.1	10.9

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♠ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ξξ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 26

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv. 20p	26	......	Sindall (Wm.)	155	......
Bertam	25	......	**IRISH**		
Bdg'wtr. Est. 50p	405	......	Conv. 9% '80/82	£86⅝	......
Clover Croft	28	......	Nat. 9¾% 84/89	£71½	......
Craig & Rose £1	£11½	......	Fin. 13% 97/02	£84½	−⅛
Dyson (R. A.) A	26	......	Alliance Gas	62	......
Ellis & McHdy	68	......	Arnott	350	......
Fife Forge	54	......	Carroll (P.J.)	98	......
Finlay Pkg. 5p	28	......	Clondalkin	82	......
Graig Ship. £1	315	+3	Concrete Prods.	88	......
Higsons Brew.	78	......	Heiton (Hldgs.)	70	−10
Holt (Jos) 25p	260	......	Ins. Corp.	210	......
I.O.M. Stm. £1	168	......	Irish Ropes	00	......
Pearce (C. H.)	250	......	Jacob	58	......
Peel Mills	30	......	T.M.G.	190	......
Sheff. Refrshmt	95	......	Unidare	83	......

OPTIONS
3-month Call Rates

Industrials					
A. Brew	9	I.C.I.	24	Tube Invest.	30
BOC Intl.	6	"Imps"	8	Unilever	55
B.S.R.	7	I.C.L.	55	U.D.T.	5
Babcock	18	Inveresk	7	Utd. Drapery	10
Barclays Bank	32	KCA	5	Vickers	18
Beecham	52	Ladbroke	22	Woolworths	7½
Blue Circle	18	Legal & Gen.	14	**Property**	
Boots	13	Lex Service	11		
Bowaters	28	Lloyds Bank	25	Brit. Land	7½
B.A.T.	28	"Lofs"	5	Cap. Counties	9
Brown (J.)	50	London Brick	7	Land Secs.	25
Burton 'A'	26	Lonrho	8	MEPC	17
Cadburys	7	Lucas Inds.	25	Peachey	13
Courtaulds	10	"Mams"	16	Samuel Props.	14
Debenhams	8	Mrks. & Spncr	11	Town & City	2¼
Distillers	21	Midland Bank	30	**Oils**	
Dunlop	6½	N.E.I.	14		
Eagle Star	14	Nat. West. Bank	28	Brit. Petroleum	100
E.M.I.	12	Do. Warrants	15	Burmah Oil	13
Gen. Accident	21	P & O Dfd.	10	Charterhall	5
Gen. Electric	35	Plessey	10	Premier	5
Glaxo	50	R.H.M.	5	Shell	25
Grand Met.	14	Rank Org.	25	Ultramar	25
G.U.S. 'A'	30	Reed Intnl.	18	**Mines**	
Guardian	24	Sears	5½		
G.K.N.	28	Spillers	4½	Charter Cons.	16
Hawker Sidd	26	Tesco	7	Cons. Gold	20
House of Fraser	18	Thorn	35	Rio T. Zinc	27
		Trust Houses	17		

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Saturday July 14 1979

MAN OF THE WEEK

Getting the act right

BY ARTHUR SANDLES

EIGHTEEN months ago the main speculation about Lord Delfont revolved around who would succeed him as head of EMI's film and theatre division. He was, after all, nearing 70 and eager young film men were showing every sign of being keen to jump into his seat. Then suddenly, the man who seemed on the point of collecting his pension book and heading for the exit, was catapulted into the group hot seat and given the job of steering EMI away from the rocks which had begun to look remarkably close.

Already the sparks have begun to fly. Management has been reorganised and the average age of the EMI divisional heads has plummeted. "Not long ago I told my colleagues on the board that if we wanted to get our age average down to respectable levels we would have to take on a baby of two months." The £70m deal with Paramount over EMI's

Lord (Bernard) Delfont
A horror of corporate bureaucracy

music activities has been set-up but, as Delfont carefully points out, not consummated. With EMI still bleeding badly Delfont needs the cash desperately until longer-term measures take effect. If it falls through, and at the moment it is only an agreement to agree, Delfont says "I will move on to plans B, C or D."

In the Delfont strategy the main plank seems to be a determination to do as little selling as possible. He clearly sees the Paramount deal as a utilisation of assets rather than a sale. The most profitable EMI items are the very ones he's staunchest about keeping. For example: "It is inconceivable that we would sell our holding in Thames Television (Britain's biggest commercial TV company)."

He's almost as shocked by the suggestion that the group's hotels might go to the market—one of them, the Tower, piquantly enough acquired from that other ailing giant, Lyons, when it needed cash badly. "You name a leisure company (let's try Coral and Ladbroke) and I'll tell you it's been at my door trying to buy."

Clearly the one thing that EMI-watchers will be keeping an eye on over the next few months is any signs of favouritism towards the leisure activities of the group at the expense of its industrial, defence and medical activities. Delfont, naturally enough, argues that there will be no such favouritism, but also points out that cinemas, hotels and live entertainment provide instant cash in a way in which few industrial activities do.

This weekend Delfont will be at home on the Sussex coast. He has no hobbies, unless you call watching sport on television a hobby, and will probably prove fretful company until he can get back to his desk. Whatever the trappings of show business there is nothing particularly flashy about the private life-style of any of the Grades. The one Delfont luxury is a small Riviera flat which is the family retreat. A much bigger property there was sold when Delfont found the administrative problems, and the cost, getting out of hand. Perhaps that is an indication of his likely thinking at EMI.

And when it's all over, with EMI saved or sold ("of course, we'd consider a bid if the price was right")? Will Delfont retreat hobbiless to life in the South of France? Apparently not. His determination to get back into full-time London theatre management remains. Even now, in Blackpool, there is an illuminated sign declaring that "Bernard Delfont presents . . ." a local variety show. Friends have been suggesting that Delfont, now 70, a Life Peer and chief executive of a major, if troubled, public company, should have it removed. "They tell me it is not dignified." But the sign will stay. "That, really, is where my heart is."

Shotton steel closure brings Labour protest

BY NICK GARNETT AND IVOR OWEN

ANGER OVER the decision to close the Shotton steelworks in North Wales with the loss of 6,000 jobs erupted in the Commons yesterday with demands for the resignation of Sir Charles Villiers, British Steel Corporation chairman.

Accusations from the Opposition backbenches that he had reneged on a pledge that steelmaking would continue at Shotton until at least 1982 were endorsed by Mr. John Silkin, the Shadow Industry Minister.

Mr. Michael Foot, Deputy Leader of the Opposition, pressed for a full-scale debate on the future of the steel industry before Parliament adjourns for the summer recess at the end of the month.

Sir Keith Joseph, Industry Secretary, who insisted that decisions on the future of individual plants were a matter for the corporation, said conditions were very different to those in 1977 when the pledge was given.

"The facts of economic life have to be recognised. If an industry is modernised, it is necessary to compensate for the new investment by taking out some of the old investment," Sir Keith said amid cheers from Tory backbenchers. "If BSC does not become competitive, many more jobs will be at risk."

A number of union meetings were held at Shotton yesterday to prepare further resistance to the closure, and talks with local authority officials are being arranged. Mr. Monty Hughes, Shotton action committee chairman, said the corporation's decision would not be accepted.

The decision was also bitterly attacked by Mr. Mervyn Philips, chief executive of Clwyd County Council.

"In view of the broken undertaking, the local community can have little confidence in the commitment to maintain the finishing plant at Shotton," he said.

British Steel and the industry's unions are arranging a meeting, almost certainly next week, at Corby, Northants, where the corporation intends ending iron and steel-making with a loss of a further 6,000 jobs.

The meeting will be attended by Mr. Bob Scholey, chief executive and deputy chairman of British Steel, members of the TUC steel industry committee, and local management and union officials.

The decision was also bitterly ing, and agreement from both sides to discuss figures which the unions claim show Corby to be viable, led to a mood of some optimism among the Corby workforce yesterday.

That feeling would appear to be misplaced, however. Mr. Scholey said on Wednesday that that it would not be possible for the corporation to make money while heavy iron and steel plants at Shotton and Corby remained in production.

The unions point, among other things, to a research document prepared by staff at the University of Warwick. This claims that British Steel has greatly exaggerated the financial saving it would make by shutting iron and steel-making at Corby.

Garnock Valley to create 300 jobs, Page 3

Tax men search home of Tory MP

BY DAVID FREUD

THE HOME of Mr. Tom Benyon, the new Conservative MP for Abingdon, was searched yesterday by Inland Revenue officials under warrants taken out because of suspected tax fraud.

Several other premises were visited, including the Mayfair offices of the Rossminster Group, of which Mr. Benyon was co-founder and director.

The Rossminster Group achieved publicity over recent years by marketing a series of successful tax avoidance schemes. Last year the Government legislated against one of them—operated jointly by the group and tax adviser Mr. Roy Tucker—with retrospective effect.

The visits were carried out to collect evidence under warrants obtained from a High Court judge under Section 20C of the Taxes Management Act, 1970.

Suspicion

This lays down that a warrant can be obtained if a judge is satisfied that "there is reasonable ground for suspecting that an offence involving any form of fraud in connection with, or relation to, tax has been committed and that evidence of it is to be found on premises specified in the information."

The visits were conducted by about 70 Revenue officials, accompanied by 25 detectives of Scotland Yard's commercial branch. A large number of documents were removed.

Mr. Benyon was elected to the late Mr. Airey Neave's seat at the general election. He lives at Adstock, Buckinghamshire.

THE LEX COLUMN

The windfall at 'Mon Repos'

For the stock market, a dismal end to a dismal week. The retail price index was disappointing and, with trade figures to come on Monday, buyers were not exactly eager. The authorities chose to ignore the market's mood, however, and brought out a new gilt-edged stock, a low-coupon short to help refinance the three similar stocks that mature later this year.

Index fell 3.2 to 466.6

Mortgage rate

As usual, owner occupiers with building society loans are getting off lightly, after enjoying an amazingly favourable deal over the past year. In this period they have paid an average 7.3 per cent for their mortgage, assuming they are eligible for tax relief at the standard rate. The money has been invested in a property which *has on average* risen in value by 31 per cent (and more like 40 per cent in London).

Compared with the 5m *fortunate house owners*, however, the 18m building society investors have come off much less well. The retail prices index published yesterday showed an inflation rate of 11.4 per cent in the year to June. So allowing for the 7.5 per cent of interest credited to their accounts they have suffered a significant drop in purchasing power.

Nor do their prospects look much better for the year ahead. Under pressure from the Government, the societies have limited the rise in the mortgage rate, and are raising the investment rate only to 8.75 per cent—which grosses up to 12½ per cent, below the competitive three-month local authority rate. The societies are gambling that interest rates generally will soon start to ease. But year-on-year inflation is set to climb past 15 per cent next month, boosted by the Budget tax measures, and is still likely to be well into double figures next June.

Meanwhile house owners on current plans will pay an average 8.4 per cent net on their mortgages over the next 12 months. *House prices* are unlikely to rise anything like as fast as they have recently, and these are paper gains which it *is hard to* realise in cash (though they are tax free). But it is time less was heard about the hardships of home owners, and more thought was given to devising ways in which building society investors could participate in profits on houses—*in which case they* could be given a better real rate.

Thorn

Thorn has come out with 1978/79 figures which justify its *gloomy* remarks at the *interim stage*. The combined effect of a strike in its own domestic appliance division before Christmas and the general disruptions of the winter have left second-half profits flat, and the year's pre-tax profits are up by only 7 per cent at *£118m. Having increased* its dividend substantially at the time of its convertible bond issue, Thorn does not consider this year's figures justify any further generosity to shareholders, and the overall gross payment for the year is up by just 10 per cent.

The TV rentals business continues to contribute majestically to profits, but some of the other businesses are still in difficulties, most notably TV manufacturing and electrical domestic appliances, where unsatisfactory margins are proving a problem. But in the current year there should be some recovery in those areas where Thorn has been taking out the knife: fridges, for example, and lighting where it has pulled out of flashbulbs. With a steady advance on the rental side and some contribution from new acquisitions in the U.S. and France, pre-tax profits of £125m/130m look to be in order.

Thorn's accounting is as conservative as ever: video-cassette recorders are being depreciated at a ruthless rate, and although the group has adopted SSAP 15 it is still providing full deferred tax in respect of rental equipment. The balance sheet is formidably strong — the dollar convertible has almost all been converted, and net debt was less than 10 per cent of shareholders' funds at the end of March. Even in a poor year in the midst of its capital expenditure programme on new outlets Thorn generated a useful cash surplus. At 400p the shares trade at 7 times reported earnings.

Town and City

Town and City could do with some of the cheap finance available to home buyers. The group's lengthy lines of floating rate bank credit are once again proving expensive in the profit and loss account, and the second half-year has produced much the same level of loss, some £6.8m pre-tax, as in the same period last time. The level of debt continues to fall, however, thanks to property sales and the group is still making progress *towards financial health*.

In the current year interest rates have risen to even higher levels, which cannot help. But the crucial question is what has happened to the worth of T and C's property portfolio. Most commercial property values have been buoyant recently, so there are prima *facie* reasons for being more optimistic. Yet the annual report has nothing new to say on the subject and the valuations are mostly so old as to make the balance sheet redundant so far as its indications of shareholders' assets are concerned.

But there is a straw in the wind. Since the year-end T and C has sold property with a book value of £7m for £20m. This promises to reverse the steady erosion of net worth, and raises hopes that the end of the tunnel is not too far away. At 18p the market capitalisation is £46m.

Indian Government may fall after key Minister resigns

BY K. K. SHARMA IN NEW DELHI

MR. MORARJI DESAI'S tottering Indian Government received *another blow yesterday when one of his senior colleagues*, Mr. H. N. Bahuguna, Petroleum and Chemicals Minister, resigned from the *Cabinet, and two junior Ministers* followed suit.

This could lead to the fall of the Government, since Mr. Desai will have to depend on support of non-Janata Party groups in Parliament to defeat the Congress-sponsored motion of no confidence which will be voted on either on Monday or Tuesday.

Mr. Bahuguna was a key figure in the defeat of Mrs. Indira Gandhi in 1977, when he persuaded Mr. Jagjivan Ram, now Deputy Prime Minister and Defence Minister, to quit her Government a few weeks before the General Election.

The confidence vote was to be on Monday, but Parliament adjourned in uproar yesterday over the acute water problems in Delhi, where the supply has been cut for the past two days because of sabotage by striking workers.

This has aggravated the political situation, since the Government is being accused of *inaction and poor performance* generally.

The significance of Mr. Bahuguna's resignation is two-fold. *He is the first minister* not belonging to the Bharyatiya Lok Dal faction of Mr. Charan Singh, Deputy Prime Minister and Finance Minister, to quit the Cabinet.

Secondly, Mr. Bahuguna announced that the reason for his resignation was the sectarian character of some members of the party. Although he did not name them, he made plain that he was referring to the Jana Sangh faction, most members of which also belong to the Rashtriya Swyamsewak Singh (RSS).

The RSS is widely believed to have been responsible for the increasing number of clashes between Hindus and Muslims in the past two years.

This is the central issue that has brought the simmering crisis in the Janata Party explosively into the open. Since quitting the Janata on this issue and forming his own party, Mr. *Raj Narain, former Health* Minister, forced over 50 defections from the ruling party benches to reduce Mr. Desai's *Government to a minority one*.

Because of the deep crisis in the Janata Party, Mrs. Gandhi's position is considerably strengthened.

Among those expected to resign is Mr. Charan Singh himself. He has not been to his office for the past three days

Iran may revive some UK defence contracts

BY MICHAEL DONNE, DEFENCE CORRESPONDENT

SOME BRITISH defence contracts with Iran which were either cancelled or frozen after the revolution earlier this year may be revived.

This has emerged as a result of recent Ministry of Defence *talks with Iranian Government* representatives in both London and Tehran. The talks have yielded encouraging indications *that Iran may revise its attitude* to some foreign military deals, especially those involving such items as small arms, ammunition, spares for military vehicles and perhaps even support ships for Gulf operations.

Among items which have figured in the talks are two naval logistics support ships, out of four originally on order, and the completion of a tank maintenance workshop at Dorud to service the Iranian Army's 850 Chieftain tanks.

Nonetheless, British arms deals with Iran are unlikely to return to the level prevailing under the Shah, while some other countries which had big arms contracts, *such as the U.S., will probably* get nothing restored.

The value of the arms deals that may be revived is quite unclear, but it is accepted that it will be only a fraction of the £1bn or more which the deals in progress at the time of the revo*lution last February were worth.*

Anlinger resigns top ITT post

BY JOHN WYLES IN NEW YORK

Dr. Gerbard Anlinger, president of ITT Europe, has resigned. He *has been succeeded by Mr. John* Guilfoile, ITT vice-president in charge of African and Middle East operators.

On Wednesday Mr. Rand V. Araskog was appointed ITT chief executive following the resignation of Mr. Lyman Hamilton Jr.

W. German steel group offers $245m for U.S. cranes maker

BY JOHN WYLES IN NEW YORK AND GUY HAWTIN IN FRANKFURT

MANNESMANN, THE West German steel and engineering group, has made a $245m (£110m) agreed bid for Harnischfeger Corporation, the U.S. cranes and mining equipment manufacturer.

Harnischfeger is already the subject of a bid approach from an American company, Paccar, which makes railway wagons and heavy duty trucks. But the Paccar offer of $20 a share, which is at the moment blocked by a Federal court injunction secured on anti-trust grounds has been significantly bettered by the German group, which is offering $27.50.

Mannesmann's bid was given the Harnischfeger Board's blessing late on Thursday. The group had previously said it was considering a proposal from a European industrial company but few people expected Mannesmann to be the suitor.

Mannesmann has been seeking U.S. acquisitions for the past year. It feels that West German domestic cartel regulations severely restrict its home growth potential.

Late last year Mannesmann paid $4.2m for a 16 per cent stake in computer printer maker Tally Corporation. It has been unable to win Tally's agreement to boost its stake to between 33 and 50 per cent.

Mannesmann has made it clear to Harnischfeger's 8,200 shareholders that its offer is subject to "satisfactory rulings" by anti-trust authorities in both countries. The U.S. group, which has production facilities in 10 U.S. and three overseas centres, manufactures mobile cranes in Dortmund for Europe. Its German works employs 700 people.

While no major problems appear likely from the West German Federal Cartel Office in Berlin, the office blocked Mannesmann's planned takeover of Brueninghaus Hydraulik, the piston pump and motor manufacturer, on the grounds that its Rexroth subsidiary was already highly active in the area. The decision was upheld by the Berlin Supreme Court in May.

Paccar, meanwhile, says it is pressing ahead with its legal efforts to have the injunction lifted and that it has no plans yet to amend its offer.

Weather

UK TODAY

WARM with sunny periods. Outbreaks of rain in the north and south-east.

London, S.E., E., Cent. S., N.E., Cent. N. England, E. Anglia, Midlands.

Showers at first with sunny periods later. Max. 20C (68F).

C. Islands, S.W., N.W. England, Wales, Lake District, I. of Man, Borders, S. and E. Scotland, Cent. Highlands.

Dry with sunny intervals. Max. 18C (64F).

Rest of Scotland, N. Ireland

Cloudy, with rain in the west later. Max. 15C (61F).

Outlook: Warm with sunny intervals and some rain in the north.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	26	79	Lisbon	S	27	81
Algiers	S	28	82	Locarno	C	23	73
Amsdm.	F	22	72	London	S	26	79
Athens	S	30	86	Los Ang.	S	19	66
Bahrain	S	35	95	Luxmbg	C	21	70
Barclna.	S	25	77	Luxor	S	38	100
Beirut	S	30	86	Madrid	S	27	81
Belfast	C	16	61	Majorca	S	28	82
Belgrd.	F	29	84	Malaga	S	26	79
Berlin	S	26	79	Malta	S	29	84
Biarritz	C	19	66	M'chstr	C	19	66
Bmghm.	F	23	73	Melbne.	S	12	54
Blackpl.	C	14	57	Milan	F	27	81
Bordx.	C	21	70	Moscow	F	21	70
Boulgn.	S	19	66	Munich	F	19	66
Bristol	S	21	70	Nairobi	C	20	68
Brussels	C	16	61	Naples	S	29	84
Budpst.	C	21	70	Nwcstl.	C	17	63
B. Aires	R	13	56	N. York	C	30	86
Cairo	S	32	90	Nice	S	29	84
Cardiff	C	18	64	Nicosia	S	31	88
Cas'b'ca	F	23	73	Oporto	S	25	77
Cape T.	R	15	59	Oslo	S	23	73
Chicago	C	26	79	Paris	F	22	72
Cologne	F	20	68	Perth	R	17	63
Cpnhgn.	S	22	72	Prague	S	22	72
Corfu	S	29	84	Reykjvk.	F	17	63
Dublin	C	16	61	Rhodes	S	30	86
Ednbgh.	F	17	63	Rio J'o	S	25	77
Faro	S	29	84	Rome	S	29	84
Florence	F	30	86	Salzbrg.	F	21	70
Frankft.	R	18	64	Singapr.	C	26	79
Funchal	C	21	70	Stckhm.	R	16	61
Geneva	F	22	72	Strasbg.	F	20	68
Gibrltr.	C	25	77	Sydney	C	17	63
Glasgow	F	15	59	Tangier	S	21	70
G'nsey	S	17	63	Tehran	S	34	94
Helsinki	F	20	68	Tel Aviv	S	28	82
H. Kong	S	31	87	Tenerife	F	19	66
Innsbrk.	R	19	66	Tokyo	C	25	77
Invrnss.	F	24	75	Toronto	C	28	82
I.o.Man	F	16	61	Valencia	S	27	81
Istanbul	C	23	73	Venice	S	26	79
Jersey	S	17	63	Vienna	F	21	70
Jo'burg	S	14	57	Warsaw	F	22	72
L. Plms.	F	24	75	Zurich	R	17	63

C—Cloudy. F—Fair. R—Rain. S—Sunny.

Continued from Page 1

Rhodesia

officials described the meetings as "extremely friendly." But Bishop Muzorewa returned to his hotel grim-faced and silent—in contrast to his attitude to the Press in the U.S.

Mr. David Mukome, who handles foreign affairs in the Bishop's administration — and who like the Bishop has a white aide travelling with him — said the two sides' positions had been "pretty close."

Asked about the future role of Mr. Ian Smith he described this issue as "cosmetic." He said: "One could remove Ian Smith as an individual but could have a new Ian Smith with equal or worse beliefs."

He implied that this question had not been raised though he described Britain as having constitutional authority in Rhodesia and being the final court of appeal.

Continued from Page 1

Building societies

tionship with new Ministers, will cost them money.

By increasing the investors' rate *almost immediately*, without making any offsetting adjustment to the cost of home loans, the societies can expect *to use up between £30m and £40m* of surplus funds. Some of the cost will have been met by the anticipated fall in the societies' composite rate tax bill, which they bear on the interest paid to investors and which is now being calculated by the Inland Revenue.

It was at one stage expected that the lower composite rate "bonus" would have been passed directly on to the investors, although in the end it seems to have been used to cushion borrowers. There will be doubts as to whether the new investors' rate will be high enough to boost the inflow of funds significantly but it was clearly agreed that no more could be afforded if mortgage rates were to be held back.

Figures released yesterday showed that the societies took net receipts last month of only £125m against £309 in the previous month. June was badly hit by pre-Budget and pre-VAT spending but societies were not, before yesterday's decision, expecting monthly receipts to rise much above £300m.

Last month, they advanced £752 to homebuyers and promised another £772m to mortgage applicants.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.

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